* Together with Welsh et al v. Schmidinger et al

No. 981

LIBRARY
SUPREME COURT, U. S.

FILED
DEC 18 1967
JOHN F. DAVIS, CLERK

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1967

No. 926

JOSEPH SCHMIDINGER AND TUNG-SOL ELECTRIC INC.;

Petitioners,

vs.

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION and its Hudson Lamp Division, HUDSON LAMP CO., INC., BEST MFG. CO., and its Hudson Lamp Co., Inc., Division,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

WILLIAM D. LUCAS and
MELVIN H. KURTZ
155 East 44th Street
New York, New York 10017
Counsel for Petitioners

INDEX

	PAGE
Citations to Opinions Below	2
Jurisdiction	2
Questions Presented	3
Constitutional and Statutory Provisions and Procedure Rule Involved	3
Statement of the Case	3
A. Validity	3
B. Infringement	4
Reasons for Granting the Writ	6
A. Validity	6
B. Infringement	8

APPENDIX

Opinion, Third Circuit Court of Appeals	14-32
Opinion, District Court, District of New Jersey	33-65
Excerpt, Petitioner's Brief to Court of Appeals	66-67
Excerpt, Schmidinger Reissue Patent No. 24,023	68-70
Pertinent Text, Constitution, Statutory Provisions and Procedure Rule Involved	70-71

CITATIONS

TABLE OF CASES

Byers Mach. Co. et al. v. Keystone Driller Co., 44 F.2d 283 (6th Cir., 1930) 10

INDEX

TABLE OF CASES (Cont'd)

	PAGE
Catalin Corporation of America v. Catalazult Mfg. Co., Inc., 79 F.2d 593 (2d Cir., 1935)	10
Deering v. Winona Harvester Works, 155 U.S. 286 (1894)	6
Denominational Envelope Co., et al. v. Duplex Envelope Co., Inc., 80 F.2d 186 (4th Cir., 1935)	10
France Mfg. Co. v. Jefferson Electric Co., 106 F.2d 605 (6th Cir., 1939), cert. denied 309 U.S. 657 (1940)	9
Graham et al. v. John Deere Co. of Kansas City et al., 383 U.S. 1 (1966)	8
Graver Tank & Manufacturing Company et al. v. Linde Air Products Company, 339 U.S. 605 (1949)	11, 12
Howard Hunt Pen Co. v. Radiant Point Pen Corporation et al., 135 F.2d 870 (2d Cir., 1943), cert. denied 320 U.S. 773 (1943)	9
Katz v. Horni Signal Mfg. Corporation, 145 F.2d 961 (2d Cir., 1944), cert. denied 324 U.S. 882 (1945)	10
Matherson-Selig Co. v. Carl Gorr Color Card, Inc., ...F. Supp...., 154 U.S.P.Q. 265 (D.C.N.D. Ill., 1967)	12
Morgan Envelope Company v. Albany Perforated Wrapping Paper Company, 152 U.S. 425 (1894)	12
Priebe & Sons Co. v. Hunt et al., 188 F.2d 880 (8th Cir., 1951), appeal dismissed 342 U.S. 801 (1951)	9
Pursche v. Atlas Scraper and Engineering Co., 300 F.2d 467 (9th Cir., 1961) cert. denied 371 U.S. 911 (1962)	7

INDEX

TABLE OF CASES (Cont'd)

	PAGE
Rohm & Haas Company v. Roberts Chemicals, Incorporated, 245 F.2d 693 (4th Cir., 1957)	6
Schriber-Schrath Company v. Cleveland Trust Company, 311 U.S. 211 (1940)	12
Special Equipment Company v. Conway P. Coe., 324 U.S. 370 (1944)	7
Stiegele et al. v. J. M. Moore Import-Export Co. et al., 312 F.2d 588, (2d Cir., 1963)	6, 12
Thomson-Houston Electric Co. v. Black River Traction Co., 135 Fed. 759 (2d Cir., 1905)	6
United States v. Adams, 383 U.S. 39 (1966)	7
Weller Mfg. Co. v. Wen Products Inc. et al., 121 F. Supp. 198, (D.C.N.D. Ill., 1954), aff'd. 231 F.2d 795 (7th Cir., 1956)	9
Westinghouse Electric & Mfg. Co. v. Condit Electrical Mfg. Co., 194 Fed. 427, (2d Cir., 1911)	8

STATUTES

35 U.S.C. 101 and 112	6
Rule 52 of the Federal Rules of Civil Procedure	5

MISCELLANEOUS

Excerpt, Schmidinger's Reissue Patent	5, 11
Excerpt, Petitioner's Brief Below	7

IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1967

No. _____

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC INC.,

Petitioners,

vs.

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION and its HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., and its HUDSON LAMP CO., INC., DIVISION,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioners, JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC INC., pray that a writ of certiorari issue to review the judgment of the Court of Appeals for the Third Circuit entered in the above-entitled case.

Opinions of the Courts Below.

1. The opinion of the District Court is reported at 243 F. Supp. 852. A copy is set forth in the Appendix annexed to this petition (A33-65).*

2. The opinion of the United States Court of Appeals for the Third Circuit is reported at . . .F.2d. . . . , 155 U.S.P.Q. 289. A copy is set forth in the Appendix (A14-32).

3. The patent in suit is awaiting trial before the District Court for the Northern District of Illinois in the Seventh Circuit in a case entitled Joseph Schmidinger and Tung-Sol Electric Inc., vs. C. E. Niehoff & Co., Inc., Civil Action No. 65C-871.

Jurisdiction.

1. This is a suit arising under the Patent Laws of the United States, Title 28, Section 1338 and 1400(b). of the United States Code.

2. The date of the judgment which the petitioners seek to have reviewed is October 2, 1967. Petition for rehearing was not requested below.

3. The jurisdiction of this Court is invoked under Title 28, Section 1254, of the United States Code.

---

*Page reference to Appendix.

Questions Presented.

1. Is a subcombination claim valid under 35 U.S.C. 101 and 112 if it fails to recite elements necessary for an operable device but not necessary for invention?

2. Should the doctrine of file wrapper estoppel, which imputes to a patentee abandonment of all that is surrendered when a broad claim is cancelled in order to obtain the allowance of a narrower claim over the prior art, be applied when a narrow claim is cancelled in favor of the allowance of a broad patent claim which embraces the substance of the narrow cancelled claim within its scope?

3. Should an estoppel result from mere argument in the patent file wrapper directed to elements in a claim which do not distinguish the prior art?

Constitutional and Statutory Provisions and Procedure Rule Involved.

This case involves Clause 8 of Section 8, Article I of the Constitution of the United States, and Sections 101, 112 and 271 of Title 35 of the United States Code, and Federal Rule of Civil Procedure Number 52, all of which are set forth in the Appendix annexed hereto (A70-71).

STATEMENT

A. *Validity*

The flasher switch of the Schmidinger Reissue Patent No. 24,023 causes automobile signal lamps to flash and indicate the direction of turn for safety on the highway. The flasher has only two active working parts of a buckling member and pull ribbon secured together in an integral unit. The unit is actuated

by electric current fed from a terminal which is a passive element that also serves as a fixed support for the unit (A18, 35-37, 47).

The original patent claims 1 through 24 recite the three elements of a buckling member, a pull ribbon and a support attached to the pull ribbon. The added reissue patent claims 25 and 26 are two element subcombination claims that do not mention the element of a support (R2006-2010).** The claims in issue are 12, 17, 18, 23 and 26. (A18-19).

Both Courts below held the three element claims valid. The District Court held the two element reissue claim 26 valid on the ground that the support is not necessary for invention and the patent teaches how to make an operable device (A48). The Court of Appeals held claim 26 invalid on the ground that the support is necessary in the claim to define an operable device possessing utility (A25).

B. *Infringement*

The Court of Appeals reversed the District Court's holding of infringement and on the basis of file wrapper estoppel restricted the patent to a device that must have a circular shaped buckling member with a support attached to the pull ribbon. Such elements are not present in the accused device in which the support is attached to the buckling member which is rectangular in shape (A27, 29-30).

The Court of Appeals based its decision on the fact that during Patent Office prosecution Schmidinger (1) argued that the circular disc shaped buckling member and attachment of the support to pull ribbon distinguished his device from the prior art, and (2) cancelled and thereby abandoned narrow

---

**Page reference to record below.

claims specific to a rectangular shaped buckling member and specific to attachment of the support to the buckling member (A26-29).

The District Court held that the fixed support and shape of buckling member were not material to the invention (A48, 52) and that there was no file wrapper estoppel since during Patent Office prosecution Schmidinger (1) did not in fact insert the term "disc" or the expression "support attached to pull ribbon" into any claim in order to overcome a rejection on prior art, and (2) obtained the allowance of broad reissue patent claims 25 and 26 which do not even mention the element of a support, and (3) at all times asserted broad claims to a buckling member regardless of shape or to a "disc-like" buckling member which was the equivalent of the other shaped buckling members of the prior art (A55) which disclose round, square and rectangular buckling members (A42). The opinion of the District Court constitutes findings of fact and conclusions of law in accordance with Rule 52(a) of the Federal Rules of Civil Procedure (A65, 71).

The Court of Appeals did not overturn the District Court's findings of fact but in a footnote stated that it did not agree with the import of one of the statements made by the District Court (A30).

As shown on the face of the '023 patent, Schmidinger did in fact obtain the broad original patent claim 19 to a buckling member not limited to any particular shape and the broad reissue patent claims 25 and 26 which do not even mention the element of a support and in which the buckling member is "disc-like" in shape (A68-70).

Schmidinger's flasher is of national importance. More than 40 states have enacted laws making the use of flashing directional signals on automobiles mandatory (A45). Approximately 99% of the flashers employed in the automotive industry are Schmidinger's (A24).

REASONS FOR GRANTING THE WRIT

A. *Validity*

The Third Circuit Court of Appeals in holding the two element subcombination claim 26 invalid for failure to define an operable structure due to omission of an element not material to invention has reached a decision in conflict with the decided cases concerning the requirement for utility under the patent statutes.

35 U.S.C. 101 authorizes the grant of patent for a new and useful machine or improvement thereon. 35 U.S.C. 112 requires the patent specification to describe an operable device and states that the "specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." There is no requirement here to claim an entire operative machine but only the inventive subject matter (A70-71).

The Supreme Court affirmed this interpretation of the patent laws in *Deering v. Winona Harvester Works,* 155 U.S. 286, 302 (1894) and stated "Admitting that additional elements are necessary to render the device operative, it does not necessarily follow that the omission of these elements invalidates the claim.... *** In such case any appropriate means for making it operative will be understood."

The Second Circuit in reaching the same conclusion in *Thomson-Houston Electric Co. v. Black River Traction Co.,* 135 Fed. 759, 763 (1905) stated "Many subcombinations, although new, are not useful, except to perform their appropriate functions in the machine of which they are a part. *** When this is so, the combination need not be operative alone...." The rule was reiterated by the Second Circuit in *Stiegele v. J. M. Moore Import-Export Co.,* 312 F.2d 588, 591 (1963) and applied by the Fourth Circuit in *Rohm & Haas Co. v. Roberts Chemicals, Inc.,* 245 F.2d 693, 697 (1957) and by the Ninth Circuit in

Pursche v. Atlas Scraper and Engineering Co., 300 F.2d 467, 476 (1962).

The present decision of the Court of Appeals is in direct conflict with the law established by the Supreme Court and by other Circuit Courts of Appeal which hold that a patent claim need go no further than to specify those elements which define invention over the prior art.

It was only last year that the Supreme Court again approved this doctrine in *United States v. Adams*, 383 U.S. 39, 49 (1966) where claims to a battery without mention of a water electrolyte were held valid even though it was the water electrolyte that set operation of the device apart from the prior art. The *Adams* case was very specifically brought to the attention of the Circuit Court in the brief below (A66-67) but the Court saw fit to repudiate the *Adams* case to reach a decision which is in direct conflict with the law established by the Supreme Court and by other Circuit Courts of Appeal. This is a first reason for granting the writ.

A second reason for granting the writ is that the certainty established in the nation's patent laws by the decided cases has been upset by this decision of the Court of Appeals under which literally thousands of issued patents with subcombination claims are no longer valid. As set forth in the record below, it is established practice in the Patent Office to grant subcombination claims (R1824) and this practice was recognized by the Supreme Court in *Special Equipment Co. v. Coe*, 324 U.S. 370, 377 (1944) where the Court stated "The statutes permit, and it is settled practice of the Patent Office, many times sustained by this Court, to allow claims to a combination and also its subcombinations."

It is submitted therefore that resolution of the present Court of Appeals decision is important to the nation's patent laws and important to a segment of the nation's economy since 99% of the flashers used in the automotive industry are Schmidinger's.

B. *Infringement*

The Third Circuit Court of Appeals in basing its decision of file wrapper estoppel on argument of counsel and on the fact that narrow specific claims were cancelled in favor of broad allowed patent claims has reached a decision in conflict with the law of the other Circuit Courts of Appeal.

The doctrine of file wrapper estoppel is a creature of case law founded in sound judicial discretion as a limitation to the "doctrine of equivalents" to estop a patentee from expanding his actual invention into an area that belongs to the prior art.

The doctrine is clearly stated in *Graham v. John Deere Co.*, 383 U.S. 1, 33 "Claims as allowed must be read and interpreted with reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent."

The doctrine clearly applies when broad claims are narrowed during Patent Office prosecution in order to obtain an allowance over the prior art. It is equally clear that the rule and reason fail when a narrow claim is cancelled in favor of an allowed broad patent claim which embraces the substance of the narrow claim within its scope. This was the understanding of the law up until the present decision of the Court of Appeals.

The Second Circuit Court of Appeals made the law clear in *Westinghouse Electric & Mfg. Co. v. Condit Electrical Mfg. Co.*, 194 Fed. 427, 430 (1911) where it stated "Original claims were rejected in the Patent Office. Thereupon the applicants, instead of limiting their claims, substituted broader ones which were accepted. *** . . . nothing whatever is shown to work an estoppel . . . . Instead of surrendering something . . . they claimed something more and got it."

This doctrine that there is no surrender of substance of an invention when narrow specific claims are cancelled in favor of allowed broad patent claims was applied by the Eighth Circuit in *Preibe & Sons Co. v. Hunt*, 188 F.2d 880, 884 (1951) and in the Seventh Circuit in *Weller Mfg. Co. v. Wen Products, Inc.*, 121 F. Supp. 198, 205 (N.D. Ill., 1954) and again followed by the Second Circuit concerning claims of equal scope in *C. Howard Hunt Pen Co. v. Radiant Point Pen Corporation*, 135 F.2d 870, 873 (1943).

The decision of the Sixth Circuit Court of Appeals on this point in *France Mfg. Co. v. Jefferson Electric Co.*, 106 F.2d 605, 606, 609 (1939) is of particular interest. Original two element claims limited to the combination of a transformer and neon sign were cancelled in favor of allowed broad patent claims to the single element of a transformer. The Court held there was no estoppel in cancelling the narrow claims and held the broad single element patent claims infringed by the two element combination of the narrow cancelled claims.

In the present case, Schmidinger cancelled a narrow claim specific to a rectangular buckling member in favor of the allowance of the broad original patent claim 19 to a buckling member without limitation to any particular shape, and Schmidinger cancelled a narrow reissue claim 25 specific to fixed support attached to buckling member in favor of the allowance of broad reissue patent claims 25 and 26 which do not even mention the element of a support.

The Court of Appeals, in basing its decision of file wrapper estoppel on the fact that narrow specific claims were cancelled in favor of allowed broad patent claims, has reached a decision in direct conflict with the decisions of the other Circuit Courts of Appeal.

In the present decision on file wrapper estoppel, the Court of Appeals was apparently influenced to some extent by argument in the file. Resort to argument to determine the ex-

tent of a file wrapper estoppel may be proper where a patentee has narrowed his claims in order to obtain an allowance over the prior art. But argument in the file concerning elements which do not overcome a rejection on the prior art certainly should not be used to limit the scope of the actual invention as broadly defined in allowed patent claims.

Judge Learned Hand announced this doctrine of the law in the Second Circuit in *Catalin Corporation of America v. Catalazuli Mfg. Co., Inc.*, 79 F.2d 593, 594 (1935) and stated: "... if a patent can be construed only by threading one's way through all the verbal ingenuities which casuistical solicitors develop to circumvent the objections of examiners, a labyrinth results, from which there is no escape. For this reason we have steadily refused to look further than to learn this: whether a patentee who seeks to disavow an element of his claim was forced to introduce it in order to avoid rejection."

The rule was reiterated in the Second Circuit in *Katz v. Horni Signal Mfg. Corporation*, 145 F.2d 961, 963 (1944) and followed by the Fourth Circuit in *Denominational Envelope Co. v. Duplex Envelope Co., Inc.*, 80 F.2d 186, 192 (1935) where the Court stated " ... the solicitors' arguments of themselves set up no estoppel. We read the claims as they are written, like the language of any other formal statement drawn up as the final memorial of the parties' intentions, and we decline to consider what was said arguendo during the passage of the case through the Patent Office, or any other of the preliminary negotiations which the patent itself was intended to subsume." The same rule was applied by the Sixth Circuit in *Byers Mach. Co. v. Keystone Driller Co.*, 44 F.2d 283, 284 (1930).

The doctrine seems quite clearly established that Courts of Appeal determine the scope of the actual invention from the claims as written and are steadfast in refusing to limit an invention by argument in the file unless such is directed to elements which the patentee was forced to introduce into his claim in order to overcome a rejection on the prior art.

As brought out in the District Court's finding of facts, Schmidinger did not insert the term "disc" or the expression "support attached to pull ribbon" into any claim in order to overcome a rejection on the prior art and for this reason the Court of Appeal's decision is in direct conflict with the law of the decided cases insofar as argument in the file may have influenced the decision concerning file wrapper estoppel. And this is especially true, where as in the present case, the patentee succeeded in obtaining the issuance of broad patent claims in lieu of the narrow cancelled claims. In such case as stated in Westinghouse Electric, supra, at 430 ". . . the proceedings in the Patent Office are quite immaterial."

Furthermore, Schmidinger stands with the scope of his actual invention as defined in the claims as written. He does not seek to disavow the term "disc-like" in reissue claims 25 and 26 which he asserted to be equivalent to the round, square and rectangular buckling members of the prior art. Schmidinger has no reason to disavow anything concerning the shape of the buckling member in the original patent claim 19 which does not limit the buckling member to any particular shape and he has no reason to disavow a fixed support which is not even mentioned in the reissue patent claims 25 and 26. Schmidinger asserted his position concerning the support when he amended his reissue patent at (A68) Col. 9, line 35 to state "The support is a passive element . . . . Obviously the active elements . . . will operate as described, irrespective of how supported."

As stated by the Supreme Court in *Graver Tank Co. v. Linde Air Products Co.*, 339 U.S. 605, 607 (1949) ". . . resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it." The Court of Appeals in this case has reached a decision in direct conflict with that of the Supreme Court and of other Circuit Courts of Appeal insofar as it considered argument in the file to limit the actual invention patented by Schmidinger.

We urge the granting of the writ for the added reason that the Supreme Court has not heretofore considered the question of whether a file wrapper estoppel can properly be said to exist on the issue of infringement where a patentee during prosecution broadens his claim instead of narrowing it. The Supreme Court has only considered this specific question on the issue of validity of a patent.

In *Morgan Envelope Co. v. Albany Paper Co.*, 152 U.S. 425, 429 (1894) the Court refused to allow the patentee to read the limitation of "oval" or "oblong" of narrow cancelled claims back into a broad allowed patent claim in order to save the claim from anticipation by the prior art and in *Schriber-Schroth Company v. Cleveland Trust Company*, 311 U.S. 211, 222 (1940) the Court refused to allow the patentee to read "flexible webs" of narrow cancelled claims back into the broad allowed patent claim to "webs" in order to save the claim from anticipation by the prior art.

It is submitted that the rule and the reason of these cases concerning validity of a patent have no bearing on the issue of infringement where the patentee has no desire to read limitations back into a patent claim and under the doctrine of the *Graver* case, supra, there is no good reason to force him to do so. The lower Courts, however, 'in dicta' show a tendency to expand the rule of the *Morgan* and *Schriber* cases to the issue of infringement without considering the reason. *See Matherson-Selig Co. v. Carl Gorr Color Card, Inc.*, . . . F. Supp. . . . , 154 U.S.P.Q. 265, 277 (D.C.N.D. Ill.; 1967) and *Stiegele v. J. M. Moore Import-Export Co.*, 312 F.2d 588, 592 (2d Cir., 1963).

The conflict in decisions concerning file wrapper estoppel between the Circuit Courts of Appeal and the fact that the Supreme Court has not faced the specific question of file wrapper estoppel here presented on the issue of infringement are submitted to be ample reasons for granting the writ.

For the foregoing reasons, this petition for a writ of certiorari should be granted.

December 7, 1967

Respectfully submitted,

WILLIAM D. LUCAS
Counsel for Petitioners

MELVIN H. KURTZ
of Counsel

Opinion

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 15830

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC INC.,

Appellants,

v.

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION AND ITS HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., AND ITS HUDSON LAMP CO., INC., DIVISION,

No. 15831

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC INC.

v.

MARIE J. WELSH, JAMES W. WELSH AND WELFLASH, INC., OXFORD ELECTRIC CORPORATION AND ITS HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., AND ITS HUDSON LAMP CO., INC., DIVISION,

Appellants.

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Argued February 10, 1967

Before: BIGGS, HASTIE and FORMAN, *Circuit Judges*

OPINION OF THE COURT

(Filed October 2, 1967)

Opinion

By Biggs, *Circuit Judge.*

The appeal and cross appeal at bar concern patent rights and trade secrets respecting a "Snap Action Device" among whose uses are a switch for an automobile directional signal flasher, a thermostat, a circuit breaker and an overload protector. In the suit at bar, however, we are concerned only with the device's use as a switch for an automobile directional signal flasher. We shall discuss it primarily in this connection. The device is disclosed by Reissue Patent 24,023.

I. The Issue of Validity of Reissue Patent 24023.

In 1952, Schmidinger, the individual plaintiff, was issued United States Reissue Patent 24,023 for the "Snap Action Device."[1] Prior to 1952 Schmidinger had granted the exclusive manufacturing rights to his device to Tung-Sol Electric, Inc., the corporate plaintiff, subject to a non-exclusive license to Signal-Stat Corporation. During the period of development the defendant James Welsh had been employed by Tung-Sol as a supervisory engineer in charge of the manufacture of Schmidinger signal flashers. In 1952 Welsh left Tung-Sol to go with its chief competitor, Signal-Stat Corporation, where he was employed until the summer of 1959. In the fall of 1959, Welsh and his wife, Marie, also a defendant, formed the defendant corporation, Welflash Inc., for the purpose of manufacturing and selling automobile directional signal flasher devices including the alleged infringing device.[2]

Schmidinger and Tung-Sol assert that the Welflash flasher constitutes an infringement of claims of the 023

1 Reissue Patent 24,023 was reissued June 14, 1955 upon an application dated May 3, 1954, Serial No. 427406. The original Patent 2,615,106 was dated October 21, 1952, Serial No. 237958, July 21, 1951.

2 The defendant, Oxford Electric Corporation and its wholly-owned subsidiaries, defendants Hudson Lamp Company, Inc. and Best Manufacturing Company, Inc., have acquired all the physical assets, manufacturing techniques, and knowledge of Welflash, Inc., to carry on the business of that company in the production of the accused device which is a directional signal flasher. Oxford, Hudson and Best manufacture the Welflash flasher, the alleged infringing device.

patent and that the defendants are guilty of unfair competition in that Welsh misappropriated the plaintiffs' trade secrets for the mass production of flashers. The defendants assert that the 023 patent is invalid, deny infringement and unfair competition. Jurisdiction is based on Sections 1338 and 1400(b), 28 U.S.C.

The court below held five claims (hereinafter set out) of the 023 patent valid and infringed by the Welflash device but that there had been no misappropriation of trade secrets. See 243 F.Supp. 852.[3]

Schmidinger and Tung-Sol have appealed at our No. 15830 and from the ruling of the court below that there was no misappropriation of trade secrets. The defendants have appealed at our No. 15831 from the holding that the 023 patent is valid and infringed by the Wellflash device.

The patent specification describes a snap action device that may be actuated by electrical, thermal, or mechanical forces, or by a combination of them. The device comprises three elements; (1) a disc, (2) a laterally flexible pull wire or strip secured at its ends to the disc at the opposite ends of a diameter, and (3) a support element secured to the pull strip, preferably at the center of said pull strip. The disc is of spring material and has a crease along its diameter underlying the laterally flexible pull strip. The pull strip may be continuous between the points of its attachment to the disc and is mounted on a support under longitudinal tension. The support is to be so constructed as to permit adjustment or variation of the tension in the strip. The specification goes on to state that the disc under predetermined increase of tension in the pull strip snaps from a position in which the halves of the disc on each side of the crease extend outwardly away from the pull strip at an angle of less than 180° to a second position in which the disc is bowed in the opposite direction about a diameter of 90° to the preformed crease.

---

3 Second and third counterclaims, charging unfair competition and violation of antitrust laws, referred to in the opinion 243 F. Supp. at 854 as being reserved, were dismissed with prejudice by a stipulation approved by Judge Augelli on November 15, 1965. The judgment appealed from is final.

Opinion

As to the operation of the device, the court below stated, *id. supra,* at 855:

> "In operation, and in the initial starting position, tension in the pull ribbon holds the buckling member in its snapped position. In this position the center of the buckling member is bowed out to form a channel positioned 90° to the permanent deformation and of opposite curvature thereto. The 90° channel of opposite curvature causes a gap to form between the buckling member and the pull ribbon. This 90° channel of opposite curvature is characteristic of the snap action of what plaintiffs termed the 'hard' buckler of the patented device, which Schmidinger achieved by means of a single flexible pull ribbon arranged on the convex side of the buckling member parallel to the deformation.
>
> "When the buckling member is in its snapped position, a gap is formed between the buckling member and pull ribbon. At such time the electrical contacts are closed. When the operator of the automobile moves the signal lever into signalling position, electric current passes through the buckling member and pull ribbon in a divided flow to generate heat and relax the tension in the ribbon. As a result, the buckling member snaps to close the gap and open the electrical contacts. Thereupon, the buckling member and pull ribbon cool and contract, until the tension in the ribbon is restored to snap the buckling member and open the gap. The electrical contacts again close, and the cycle is automatically repeated as long as the directional signal lever remains in signaling position.
>
> "In each of the two positions assumed by the buckling member in its back-and-forth snap action, there is a so-called 'locking' effect, where the buckling member dwells in position. This dwelling in each position is due to the differential expansion and con-

traction of the pull ribbon and buckling member. The buckling member remains or dwells in each position while the pull ribbon is expanding or contracting, but thereafter suddenly snaps and moves very rapidly through an equilibrium position located between the two 'locked' positions. The differential expansion and contraction are caused by the divided circuit flow of current through the buckling member and pull ribbon, and the ambient cooling thereof."

In an attempt to describe the operation of the 023 device as a directional signal flasher in simplest terms, we state that an electric current flows through the flexible pull ribbon to the disc. The pull ribbon when heated by the current, expands and thereby allows the disc to snap to its natural shape which breaks the flow of electricity through the disc to the flasher light. As the metals of the pull ribbon and the disc cool the disc returns to its original creased condition causing the flasher light to go on again and the cycle is repeated.[4]

The claims in issue are set out in the footnote.[5] Claims 12, 17, 18 and 23 are combination claims having the

4 Charles Becker, Manager of the Sales Department of Tung-Sol, describes the Schmidinger device, P-2, in lay terms as "This is the Tung-Sol series flasher that incorporates the buckling member with a hot wire attached to either end on the convex side, current flowing through the wire causes the buckler to snap, opening and closing contact, [and thereby] flashes the lamp."

5 "12. The snap action device *according to claim 10* wherein said pull means and disc are of electrical conducting material and the tension in said pull means is varied by differential expansion and contraction of said pull means and disc with passage of current therethrough." (Emphasis added.)

Claim 10, not in issue, is incorporated into claim 12. Claim 10 reads as follows:

"10. A snap action device comprising a disc having an inherent diametral deformation therein tending to cause it to assume a constrained shape, a support element having laterally flexible pull means fastened thereto and radiating out therefrom, the outer ends of said pull means being fastened to points of said disc at opposite ends of the deformation therein and on the convex side thereof whereby when the tension in said pull means is reduced the center of the disc snaps in one direction to assume its constrained shape and when the tension in said pull means increases the snap action of the center of the disc occurs in the other direction."

The other claims in issue follow:

"17. A thermal switch device comprising a support, a buckling member having a portion adapted to occupy two different positions for operating a

Opinion

three elements set out above. Claim 26 is described as having the first two elements stated above. The third element, the support, is not included in claim 26. All the claims in issue are directed to a flasher switch for the operation and control of automobile directional signals, the two working parts, the pull ribbon and the disc, being actuated by the passage of electrical current through them as distinguished from other claims of the patent, not in issue, some of which cover a thermostat actuated by ambient temperature. "Ambient temperature" means, of course, the temperature of surrounding air. The sole com-

---

circuit opening and closing contact, and linear expansible pull means carried by said support and fastened at two spaced points to said buckling member to control the buckling thereof to cause said portion to occupy one of said positions responsively to current flowing through the expansible means, and said buckling member being carried by said expansible pull means, the buckling member being the form of a constrained disc with the outer ends of the expansible means fastened to one side of the disc at diametrically opposite points adjacent its periphery."

"18. A thermal switch device comprising a support, a buckling member having a portion adapted to occupy two different positions for operating a circuit opening and closing contact, and linear expansible pull means carried by said support and fastened at two spaced points to said buckling member to control the buckling thereof to cause said portion to occupy one of said positions responsively to current flowing through the expansible means, and said buckling member being carried by said expansible pull means, the buckling member being a disc of comparatively thin spring metal doubly constrained by having a transverse bend formed therein and by the pull of the expansible means fastened at its ends to the convex side of said bend."

"23. A thermal switch device comprising a support, a substantially circular buckling member carrying a contact and having an inherent constraint tending to move said contact through a dead center position to occupy a circuit controlling position and linear expansible pull means carried by said support and fastened to said buckling member at two spaced points on the opposite sides of a transverse line passing through said contact to control the buckling thereof responsively to current flowing through the expansible means and said buckling member being carried by said expansible pull means."

"26. In a current responsive snap action device, a disc-like member of resilient electrically conductive material having a preformed crease along one diameter only to provide a single stable conformation in which the portions of the disc-like member on each side of the diameter form an included angle of less than 180°, and a flexible ribbon of electrically conductive material fixed to the disc-like member only at opposite ends of said diameter and overlying said diameter on the convex side of the crease, said disc-like member, depending upon the tension in said ribbon being either in the said position of stable conformation or in a position wherein it is bent oppositely thereto and about a diameter of 90° to said preformed crease whereby differential expansion and contraction of said ribbon and disc-like member with passage of current therethrough changes the tension in said ribbon and causes snap action of said disc-like member through a neutral planar position from one to the other of said first mentioned positions."

mercial use of the 023 device has been in the control of automobile directional signals.

The plaintiffs seemingly concede and we conclude, as did the court below, that the three elements of the specification as hereinbefore stated were fully anticipated by the prior art but they contend that the combination of those three elements creates a device that is new, useful and non-obvious, and therefore patentable. We agree for the reasons stated hereinafter.

We desire to make it clear that we are aware that the validity of claims of a combination patent cannot rest on any "essential" element, "gist" or "heart" asserted to lie in the invention. Aro Manufacturing Company v. Convertible Top Company, 365 U.S. 336, 345 (1961). The defendants contend in this court, as they did in the court below, that the patent in suit is invalid because the disclosure was obvious to any individual possessing the ordinary skill in the art. This is their principal defense on the issue of patentability. Concededly patent claims, not the specifications of a patent, measure the invention, Smith v. Snow, 294 U.S. 1 (1935), and while a specification may be referred to to limit a patent claim it cannot be available to expand it. Darsyn Laboratories, Inc. v. Lennox Laboratories, 120 F. Supp. 42 (D.C.N.J. 1954), *aff'd per curiam*, 217 F.2d 648, *certiorari den.* 349 U.S. 921 (1955). But it is fundamental that claims are to be construed in the light of the specifications and both are to be read with a view to ascertaining the invention. Seymour v. Osborne, 11 Wall. 516, 547 (1871).

If we turn to Claim 12 of the patent which we deem to be substantially similar to the other claims in issue save Claim 26, we find that it claims a snap-action device "according to claim 10"; the tension pull ribbon and the disc to be varied by the differential expansion and contraction of the pull ribbon and the disc by passing an electric current through them.

Opinion

The issue presented, therefore, is whether 023 meets the test of Section 103 of the Patent Act of 1952, 35 U.S.C. The standard was declared by the Supreme Court by Mr. Justice Clark in Graham v. John Deere Co., 383 U.S. 1 (1966).[6] Mr. Justice Clark stated, *id.* at 3, 4, referring to the Patent Act of 1952 in relation to earlier Patent Acts: "[T]he Congress has for the first time expressly added a third statutory dimension to the two requirements of novelty and utility that had been the sole statutory test since the Patent Act of 1793. This is the test of obviousness, *i.e.*, whether 'the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.' § 103 of the Patent Act of 1952, 35 U.S.C. § 103 (1964 ed.).[7]

"The questions, involved in each of the companion cases before us, are what effect the 1952 Act had upon traditional statutory and judicial tests of patentability and what definitive tests are now required. We have concluded that the 1952 Act was intended to codify judicial precedents embracing the principle long ago announced by this Court in Hotchkiss v. Greenwood, 11 How. 248 (1851), and that, while the clear language of § 103 places emphasis on an inquiry into obviousness, the general level of innovation

---

6 The Supreme Court decided three cases. See the star note cited to the text at 383 U.S. 1. The three cases are collectively called the "John Deere Cases." See also United States v. Adams, 383 U.S. 39, decided the same day as the cases referred to, *supra*, in this note.

7 "§ 103. *Conditions for patentability; non-obvious subject matter*

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

We need not discuss the provisions of §§ 101 and 102. In any event we hold that Schmidinger's disclosures satisfy the requirements of the designated sections.

necessary to sustain patentability remains the same." Mr. Justice Clark went on to make clear that the factors by which non-obviousness are to be tested are substantially the same as were those of the decisional law as it existed prior to the time of the 1952 Patent Act. See also United States v. Adams, 383 U.S. 39, filed concurrently with the John Deere Cases. The defendants insist that Schmidinger developed a mere improvement over the prior art and that the device disclosed in his combination patent could have been made by a skillful mechanic and was not effected by the acts of an inventor. This is the main thrust of the attack upon the patent. We come therefore, to an examination of the prior art in part and a study of the circumstances under which Schmidinger devised the switch disclosed and claimed by him in 023.

Schmidinger at the trial described how he developed his 023 snap-action flasher. Until 1954 motor vehicle flashers had operated by magnetism. Tung-Sol had manufactured a magnetic flasher devised by Schmidinger which had wide use in the motor vehicle field. Schmidinger had secured a patent No. 2,177,671 for a "Thermal Switch and the Like", issued on October 31, 1939 on an application filed on April 30, 1937. He also had received a patent No. 2,299,767 for a "Thermally Operated Switch and the Like", issued on October 27, 1942 on an application filed on February 2, 1940. The teachings of the 671 and 767 patents are prior art in this case. Schmidinger testified that in 1943, attempting to improve his non-magnetic flasher, he directed his attention to the device shown in Fig. 11 of 671. He removed the glass bead at the end of the left arm at numeral 52. He then changed the position of the pull wire to the proximity of the vane, at numeral 12. The design thus created was somewhat similar to that shown at Fig. 25 of 767.

Schmidinger then applied the electric current to the center of the pull wire. There was nothing new about this as is shown by the Hanson (Netherlands) Patent No. 6,711 published March 15, 1922 for an "Automatic Circuit

Breaker." Schmidinger next bent his buckling member in the center at right angles to the pull ribbon as shown by Fig. 8 of the Klahn Patent No. 1,784,450, issued on December 8, 1930 on an application filed February 25, 1926. Klahn's Fig. 8 discloses such a deformation but what it fails to show is a deformation along the long axis. The defendants insist that a diametrically deformed disc-shaped buckling member created by creasing it through the diameter would be obvious to a man having ordinary skill in the art. But with this we cannot agree. Schmidinger next employed a pull ribbon in lieu of a pull wire. There can be nothing non-obvious in exchanging a pull ribbon for a pull wire but the pull means is described in 023 as both "laterally flexible" and "expansible". Moreover, as disclosed by 023 the pull strip is attached to the disc in such a manner as to bow the disc in the opposite direction about a diameter of 90° to the preformed crease. Schmidinger then experimented with disc-shaped buckling members, as disclosed in the Spencer Patent No. 1,883,252 issued on October 18, 1932 on an application filed August 15, 1931.

It appears that there was a period of experimentation by Schmidinger as to the size and operation of the members of the device evolved by the disclosures of the patent in suit. This period of experimentation was not as extensive as the plaintiffs contend. The court below laid emphasis upon the fact that Schmidinger had begun his work on automobile signals installations in 1931 and progressed through electromagnetic flashers to mechanical ones. But it is necessary to point out that Schmidinger's experiments on mechanical flashers, resulting in the device of 023, were not prolonged and were brought to fruition in not more than two years. The period required by Schmidinger to perfect his device is not too helpful to him here.

The court below stated, 243 F. Supp. at 860: "The interrelationship of the parts, as put together by Schmidinger, and their functioning dependency on each other, has

produced a unit capable of performing the reciprocating snap action with its 'locking' effect, and of generating the heavy snap forces required for opening and closing the electrical contacts with firm contact pressure, fast make and break of contacts, and uniform cyclic beat. None of the prior art structures contain [sic] the interrelationship of the parts found in the Schmidinger device, and none of them were [sic] capable of performing the operation or producing the result of the structure of the patent in suit."

This statement is undoubtedly supported by the record, but we point out that the court below employed functional terms in describing the operation of the 023 device and that patent claims at least under the circumstances at bar cannot be sustained by functional conclusions. We do not undervalue Schmidinger's experiments; nor do we conclude that he was merely routineering. We note again that the last sentence of Section 103 states: "Patentability shall not be negatived by the manner in which the invention was made." An invention made even accidentally is patentable,[8] and a non-obvious result whether it be obtained by inspiration or by infinite pains is equally within the protection of Section 103 and the principle of the John Deere Cases.

We have given consideration to the substantial commercial success of Schmidinger's flasher, well founded in the record, commencing with the sale of the 023 device in 1956 to the Pontiac division of General Motors. The record shows that by 1963 approximately 99% of the flashers employed in the automotive industry were Schmidinger's. While a portion of these large sales may well have been brought about by the decreased electric current presently employed to operate flashers,[9] a decrease that Schmidinger's device could and would sustain, this possibly accidental result does not render the Schmidinger disclosures less valid.

---

8 See for example Electric Storage Battery Co. v. Shimadzu, 123 F.2d 890, 893 (3 Cir. 1941). Compare the history of the discovery of Charles Goodyear's vulcanized rubber: Goodyear v. Day, 10 Fed. Cas. 678, No. 5569 (1852).

9 See Schmidinger's testimony pp. 767a-68a.

Opinion

Considering the prior art and weighing the whole record on this phase of the case, we conclude that Schmidinger's disclosures were not "obvious . . . to a person having ordinary skill in the art." 35 U.S.C. We therefore hold all claims in issue valid,[10] save Claim 26.

As to Claim 26, no support is claimed. The court below stated, *id. supra* at 860, "However, while a support may be necessary for an operable structure, it is not a basic element of the invention and need not, therefore, be set forth in the claim. It is quite apparent that one skilled in the art would know how to support the device of claim 26 to make it operable." This is not enough and the court below was in error in so concluding. A support is necessary to make Schmidinger's device operable and in a combination patent there is no single essential element. Every element in the combination must join in setting out and defining an operable device possessing utility. Aro Manufacturing Company v. Convertible Top Company, *supra*, at 344-5. We hold Claim 26 to be invalid.

II. The Issue of Infringement.

The defendants contend that during the prosecution of 023 in the Patent Office the patentee agreed to certain limitations of his asserted claims. Having agreed to these limitations in order to obtain allowance of 023, the defendants contend that Schmidinger cannot now claim that which he previously had released to the public domain. Specifically, the defendants argue that Schmidinger, in order to overcome Patent Office objections based on prior art, limited his device to one which has the buckling member solely supported by the pull means, the stationary

---

10 In respect to the provisions of 35 U.S.C. § 282, the statutory statement creating presumptive validity, we agree with the court below that the burden of proving invalidity in the face of the presumption is a heavy one, but the presumption is by no means conclusive. See Mumm v. Jacob E. Decker & Sons, 301 U.S. 168 (1937). It is our conclusion that the presumption of validity conferred by the statute has not been overcome in respect to the 023 device.

support attached to the pull means, not to the buckling member, and to a buckling member which is substantially circular. We agree with these contentions.

An understanding of the current scope of Reissue Patent 24,023 requires an analysis of proceedings before the Patent Office started on July 6, 1944. On that date, Schmidinger filed application No. 543,623 for a "Thermal Control Means". During the prosecution of that application, the Patent Office rejected Claims 1, 18, 19, and 20 on prior art claiming Schmidinger's device disclosed no new invention over Schmidinger 767 and 309 and Newton 2,267,164. Schmidinger responded by amending Claims 1, 18, 19, and 20, noting in his "Remarks" that such amendments were directed specifically to attaching the support solely to the pull means in order to overcome the prior art. A reading of the amended claims does indeed disclose that the support is connected only to the pull means. By his oath Schmidinger repeated the importance of this arrangement and argued that it overcame successfully the prior art. Subsequently, Schmidinger added Claims 41-44 to application 623. These new claims described the buckling member as being supported solely by the pull means. 623 was later abandoned in favor of application No. 237,958, filed July 21, 1951, which resulted in Patent No. 2,615,106 issued on October 21, 1952, which in turn was the basis for the Reissue Patent in suit. In the prosecution of 958 Schmidinger continued Claim 41 of 623 as new Claim 10. Claim 41, as noted, provided that the buckling member be supported solely by the pull means. After 958 had been allowed and Schmidinger had experimented with a device which had the support attached to the buckling member, on advice of counsel, he requested a reissue patent which would include claims for a support attached to the buckling member. In a supplemental oath to the reissue application he swore: "[T]he claims of . . . said patent are inoperative to protect adequately [the] invention in that they are limited to attachment of a support to the pull means . . . ." In order to achieve a broadening,

Opinion

Schmidinger included Claim 25 in his reissue application, a claim which could be read to include a support on either the buckling member or the pull means. The Patent Office rejected Claim 25 on Norwegian Patent 957, and subsequently rejected as new matter the language in the specifications which implied that the support could be attached to the buckling member. The Patent Office demanded deletion of all like language and stated in a letter of September 8, 1954: "The support was not originally disclosed as being connected directly to the disc and to refer to such a construction . . . is to disclose new matter . . . Claims 25-27 are rejected as containing new material . . . ." Schmidinger complied by deleting all of the alleged offensive language. Moreover, Schmidinger had previously amended Claim 25 to remove any implication that the support could be attached to the buckling member. Thus, Schmidinger did not succeed in broadening his claims to include a device in which the support was attached directly to the buckling member. He cannot now claim that such a device infringes his patent.

As noted, the defendants also contend that Schmidinger limited his device to a disc-shaped buckling member. The definition of the word "disk" or "disc" is given in Webster's New International Dictionary of the English language, 2 ed., as "A flat circular plate; as, a *disk* of metal . . . ." The definition is one of common usages and we accept it.

In the original application 623 and its accompanying figures Schmidinger claimed buckling members of varying shapes. The Patent Office responded in a letter of October 28, 1946, stating: "In view of the rejection, below, of the generic claims, election of a single species (i.e. a single form of support and a single form of buckling member) is required . . . ." This demand was clearly in reference to the *shape* of the buckling member. In a responsive letter dated April 24, 1947, Schmidinger's attorneys insisted that the device was not restricted to a circular

buckling member, at the same time, however, choosing to elect for prosecution the device as embodied in Figs. 2, 2a and 6, figures showing substantially circular buckling members. The plaintiffs' witness, Norton, explained that these embodiments were probably chosen in order to include figures which depicted a means for adjusting tension in the pull ribbon and not to elect a shape of buckling member. We do not agree. It is clear that the Examiner was demanding an election of a shape of buckling member. This conclusion is supported by the subsequent rejection by the Patent Office of Claims 12 and 15 as not being readable on the elected species. Claim 12 claimed an oval buckling member and Claim 15 a flat strip. In all other respects both claims were identical to claims not rejected as not readable on the elected species because of shape. Compare Claims 11 [11] and 12. Claims 12 and 15 were then rewritten as, *inter alia,* Claims 29, 30, 31, 33, and 34, which were described respectively, as "a disc, a disc being circular, a disc being oval shaped, a flat strip, and a dished metal disc." Thus, Schmidinger had not yet abandoned his claim for a strip buckling member. However, in a letter of August 24, 1950, the Patent Office rejected, *inter alia,* Claims 33 and 34 as not being readable on the elected species, no generic claims having been allowed. The Patent Office allowed Claims 29, 30, and 31 among others. The only differences between allowed Claim 31 and rejected Claim 33 are the description of the shape of the buckling member and the attachment of the pull means at *diametrically* opposite points in Claim 31. Schmidinger subsequently cancelled Claim 33 and later abandoned the 623 application in favor of prosecuting the 958 application. In this latter application there was no attempt to include any specific claim for a strip buckling member and 20 of the 21 claims included a buckling member which was to be either disc shaped or substantially circular in form. Moreover,

11 Claim 11 was also rejected as not readable on the elected embodiment, but for other reasons. See Patent Office letter dated January 11, 1949 referring to an earlier letter dated October 28, 1946.

Opinion

Schmidinger's attorneys admitted that these claims were more narrow structurally than were the abandoned claims of 623. The one claim, Claim 4 of application 174,411 filed July 18, 1950 but abandoned, like 623, in favor of 958, which could have been read to include a strip buckling member was not prosecuted and therefore must be presumed to have been abandoned. It seems clear from the foregoing that Schmidinger limited his device to a disc buckling member but if further proof were needed Schmidinger's attorneys made his position crystal clear during prosecution of 958. In attempting to overcome a Patent Office objection to Claims 10 and 11 as lacking in invention over Klahn 450, Schmidinger's counsel argued that "Klahn's device is a strip, not a disc". Finally, all the claims of 023, the reissue patent of 106, in dispute in this litigation described only a disc, a disc-like or a substantially circular buckling member. Schmidinger was forced to employ this restrictive language by the Patent Office. The case on file wrapper estoppel is conclusive.

The alleged infringing devices variously have rectangular buckling members, not discs and their pull means are not fastened to the support.[12]

The court below despite the fact that it found that there was no literal infringement of 023 nonetheless disregarded the particular structure and the elements of the claims, broadly employing the doctrine of equivalence. As was said in the John Deere opinion, *supra*, at 33: "Claims as allowed must be read and interpreted with reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent."

Here, Schmidinger abandoned too much and now faces the limitations imposed on his claims by those abandon-

12 The alleged infringing devices are identified in a stipulation dated April 11, 1963 and approved by the court below in its Pre-Trial Order dated April 16, 1963, *viz.*, the structures of the devices to Tag Nos. 1, 5, 6, 13A-13H, 13J, 13K, 19, 20 and 24. See Paragraph 13 of the judgment of August 25, 1965.

ments. He cannot be permitted to recover what he lost in the Patent Office proceedings. We hold that there was no infringement.[13]

III. Unfair Competition.

The issues presented under this heading will be discussed briefly. The court below was requested not to disclose any of the details concerning the plaintiffs' asserted trade secrets in its opinion. We need not refer specifically to facts for it is clear from the record that the court below had substantial bases for its findings. The court stated, 243 F.Supp. at 865, as follows: "A careful consideration of that part of the record relating to plaintiffs' cause of action for unfair competition leads the Court to conclude, in light of applicable law, that plaintiffs have not sustained their burden of proving by a preponderance of the evidence that

---

13 The court below in its opinion at 863 stated: "[A]t no time during the prosecution of the several applications in the patent office did Schmidinger insert the word 'disc' or the expression 'support attached to pull ribbon' into any of the claims in order to overcome or avoid a rejection on the prior art patents. Nor does it appear that Schmidinger abandoned all shapes for his buckling member, other than round, when he made an election of species of a disc. In fact, the patentee at all times asserted claims to a buckling member regardless of shape, or to a 'disc-like' buckling member which was the equivalent of the other shaped buckling members of the prior art patents."

We cannot agree with the import of this statement. The file wrapper history of 023 will not permit the broad construction and the use of equivalents as claimed by Schmidinger. He obtained the issuance of 023 by distinguishing prior art and he cannot now validly obtain that which was previously by limitation excised from his applications and claims. This matter was well put in Exhibit Supply Company v. Ace Patents Corporation, 315 U.S. 126, 136 (1942), in which the court said: "Assuming that the patentee would have been entitled to equivalents embracing the accused devices had he originally claimed a 'conductor means embedded in the table,' a very different issue is presented when the applicant, in order to meet objections in the Patent Office, based on references to the prior art, adopted the phrase as a substitute for the broader one 'carried by the table.' Had Claim 7 been allowed in its original form, it would have read upon all the accused devices, since in all the conductor means complementary to the coil spring are 'carried by the table.' By striking that phrase from the claim and substituting for it 'embedded in the table,' the applicant restricted his claim to those combinations in which the conductor means, though carried on the table, is also embedded in it. By the amendment, he recognized and emphasized the difference between the two phrases and proclaimed his abandonment of all that is embraced in that difference . . . ; cf. in case of disclaimer Altoona Theatres v. Tri-Ergon Corp., 294 U.S. 477, 492, 493. The difference which he thus disclaimed must be regarded as material, and since the amendment operates as a disclaimer of that difference it must be strictly construed against him."

what they claim as confidential information and trade secrets are in fact such, or, if they could be so classified, that defendants have utilized such data in their mass production of the infringing device."

In respect to the trial judge's concept of the law of trade secrets he stated that Schmidinger's work in measuring the snap and unsnap forces of his buckling member "involved no more than the application of ordinary engineering skill to obtain uniformity of these forces." *Id. supra,* at 865. This smacks of the test of patentability of Section 103, 35 U.S.C., and is not applicable to trade secrets. We quote with approval the Restatement, Torts, Vol. 4, Section 757, at p. 6.[14] The applicable rule of law under circumstances substantially similar to those at bar was applied by the Court of Appeals for the Eighth Circuit in McGraw-Edison Co. v. Central Transformer Corp., 308 F. 2d 70, 73 (1962). In the case at bar as in the cited case, the *sine qua non* of a claim of unfair competition consists in the existence of a trade secret. Here there was none and therefore, of course, no information useful to a competitor could have been transmitted.[15]

---

14 The Restatement is as follows: "A trade secret may be a device or process which is patentable; but it need not be that. It may be a device or process which is clearly anticipated in the prior art or one which is merely a mechanical improvement that a good mechanic can make."

15 The parties to the litigation have not discussed, apparently deeming discussion unnecessary, the question of what law is applicable on the issue of unfair competition, the pendent or ancillary cause of action in this case. See the opinion of Mr. Justice Douglas in Mine Workers v. Gibbs, 383 U.S. 715, 726 (1966), wherein it was stated that the justification for deciding a pendent proceeding "lies in considerations of judicial economy, convenience and fairness to litigants; if these are not present a federal court should hesitate to exercise jurisdiction of state claims even though bound to apply state law to them." Citing Erie R. Co. v. Tompkins, 304 U.S. 64 (1938). Cf. Taussig v. Wellington Fund, Inc., 313 F.2d 472, 475 (3 Cir. 1963) and Chief Judge Wright's opinion in that case, 187 F. Supp. 179, 191, 193 (D. Del. 1960). The court below made no findings as to whether the unfair competition phase of the litigation was multi-state in effect or where the cause or causes of action allegedly arose. We conclude that it is not necessary to remand the cause to the court below to ascertain the applicable law of the State or States involved in the action. We are aware of no law, state or general, which would permit recovery on the unfair competition claim under the circumstances at bar.

In conclusion, we state that the evidence in the patent phase of the litigation and in the unfair competition phase are sufficiently integrated to permit the adjudication of the unfair competition cause.

Opinion

There can be no point in remanding the case so that the trial judge may simply rephrase his conclusions of law. His decree was correct. Accordingly, we will affirm the decision of the court below on the issue of unfair competition.

The judgment of the court below on the issue of validity of the claims, save only Claim 26, will be affirmed. The judgment of the court below on the issue of infringement, as indicated, will be reversed.

A True Copy:

Teste:

Clerk of the United States Court of Appeals for the Third Circuit.

Judgment

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

[SAME TITLE]

This cause came on to be heard on the record from the United States District Court for the District of New Jersey and was argued by counsel.

On consideration whereof, it is now here ordered and adjudged by this Court that that part of the judgment of the District Court, filed August 23, 1965, docketed at No. 15,830 in this Court, on the issue of unfair competition be and hereby is affirmed, with costs; that part of the said judgment, docketed at No. 15,831 in this Court, on the issue of validity of the claims, save only Claim 26, be and the same is hereby affirmed; and that part of the said judgment, also docketed at No. 15,831 in this Court, on the issue of infringement, be, and the same is hereby reversed in accordance with the opinion of this Court.

October 2, 1967

Opinion

There can be no point in remanding the case so that the trial judge may simply rephrase his conclusions of law. His decree was correct. Accordingly, we will affirm the decision of the court below on the issue of unfair competition.

The judgment of the court below on the issue of validity of the claims, save only Claim 26, will be affirmed. The judgment of the court below on the issue of infringement, as indicated, will be reversed.

A True Copy:

Teste:

Clerk of the United States Court of Appeals for the Third Circuit.

Opinion

UNITED STATES DISTRICT COURT

DISTRICT OF NEW JERSEY

[SAME TITLE]

Appearances:

Steelman, Lafferty, Rowe & McMahon, Esquires,
Attorneys for plaintiffs;
Eyre, Mann & Lucas, Esquires, of Counsel,
By: Wiliam D. Lucas and Melvin H. Kurtz, Esquires
(New York Bar);

Walter A. Beers, Esquire, Attorney for defendants;
Kenyon & Kenyon, Esquires, of Counsel,
By: Richard A. Huettner and William F. Noval,
Esquires (New York Bar).

AUGELLI, District Judge:

This patent infringement suit involves the familiar automobile directional signal flasher.

Plaintiffs charge that the device manufactured and sold by defendants, which operates as a directional signal flasher for automobiles, is an infringement of claims 12, 17, 18, 23 and 26, of plaintiffs' United States Letters Patent No. Re. 24,023, hereinafter referred to as the 023 patent.

The action arises under the patent laws of the United States, and more particularly under 35 U. S. C. A. § 271 and §§ 281 to 285 of the same title. Jurisdiction is conferred on the Court by 28 U. S. C. A. §§ 1338 and 1400(b).

Opinion

By stipulation, plaintiff's complaint was amended to include a claim of unfair competition against defendants for allegedly using plaintiffs' trade secrets and confidential information relating to mass production techniques, in the manufacture of the accused device.

Defendants deny infringement and put in issue the validity of the 023 patent. They also deny the allegations of the unfair competition claim. The parties have agreed that defendants' second and third counterclaims, charging plaintiffs with unfair competition and violations of the antitrust laws, are to be tried separately, and subsequent to, determination of the issues now before the Court.

The trial of this action consumed 23 days and resulted in a rather voluminous record, including over 100 exhibits. There was much expert testimony, supplemented by demonstrations in court showing the assembly of the component parts of the patented and accused devices, and the manner in which they functioned.

Plaintiff Joseph Schmidinger, a resident of the State of New York, is the patentee of the 023 patent in suit. Plaintiff Tung-Sol Electric, Inc., a Delaware corporation having its principal place of business in New Jersey, has for many years been engaged in the manufacture and sale of miniature lamps and electrical equipment, particularly for the automobile industry. It has an exclusive license under the 023 patent, subject to a non-exclusive license to Signal-Stat Corporation, a company that had previously been sued by plaintiffs in the United State District Court for the Eastern District of New York for infringement of the patent in suit.

Defendants Marie J. Welsh and her husband James W. Welsh, residents of New Jersey, organized the defendant

Opinion

Welflash, Inc., a New Jersey corporation, for the purpose of manufacturing and selling the device accused in this case. Unless otherwise stated, any references hereinafter made to "Welsh" shall be deemed to apply to defendant James W. Welsh.

Defendant Oxford Electric Corporation, an Illinois corporation, and its wholly owned subsidiaries, defendants Hudson Lamp Co. Inc. and Best Mfg. Co. Inc., both New Jersey corporations, have acquired all of the physical assets, manufacturing techniques and "know how" of Welflash, Inc., and continue to carry on the business of that company in the production of the accused device.

The patent in suit describes a snap action device of wide application, one that is both electrically and thermally responsive. It may be used as a relay, flasher, circuit breaker, overload protector, load indicator, switch, or thermostat. When the device is to be used as a switch, the specifications, after suggesting the dimensions and materials to be used in connection therewith, state that "a switch of such dimensions and of such material is suitable for use, for example, as a flasher for automobile direction signal and stop lights."

The structure* of the claims of the 023 patent may be said to comprise: a resilient metal plate or buckling mem-

*Plaintiffs' device (P-2) is a small unit, measuring about 1 inch in height and a little less than 1½ inches in diameter. The electric terminals, which are plugged into the electric circuit of the automobile directional signal lamps, extend through the bottom of the base of the unit about ½ inch. In this particular device, the buckling member is circular in shape, with a diameter of ⅞ths of an inch and a thickness of .005 of an inch. The pull ribbon is 1/16th of an inch wide and .003 of an inch thick. The accused device looks the same, except that its buckling member is rectangular in shape, being ⅞ths of an inch long, ½ inch wide, and .0043 of an inch thick. The pull ribbon in this device is 1/16th of an inch wide and .0025 of an inch thick.

ber having an inherent permanent deformation therein that runs straight through or across the member to provide a single stable position of configuration or constraint; a pull means, such as an expansible flexible ribbon attached at its outer ends to the convex side of the buckling member adjacent the ends of the deformation and preferably arranged parallel to the deformation; and, except in claim 26, a fixed support of electrical terminal that is attached to the pull means or ribbon. Snap action of the buckling member, in a uniform cyclic beat, is obtained by feeding electric current through the buckling member and pull ribbon in a divided circuit. Plaintiffs refer to the buckling member and pull ribbon device as the active elements thereof, and the fixed support, as the passive element.

In operation, and in the initial starting position, tension in the pull ribbon holds the buckling member in its snapped position. In this position the center of the buckling member is bowed out to form a channel positioned 90° to the permanent deformation and of opposite curvature thereto. The 90° channel of opposite curvature causes a gap to form between the buckling member and the pull ribbon. This 90° channel of opposite curvature is characteristic of the snap action of what plaintiffs termed the "hard" buckler of the patented device, which Schmidinger achieved by means of a single flexible pull ribbon arranged on the convex side of the buckling member parallel to the deformation.

When the buckling member is in its snapped position, a gap is formed between the buckling member and pull ribbon. At such time the electrical contacts are closed. When the operator of the automobile moves the signal lever into signaling position, electric current passes through the buckling member and pull ribbon in a divided flow to generate heat and relax the tension in the ribbon. As a result,

the buckling member snaps to close the gap and open the electrical contacts. Thereupon, the buckling member and pull ribbon cool and contract, until the tension in the ribbon is restored to snap the buckling member and open the gap. The electrical contacts again close, and the cycle is automatically repeated as long as the directional signal level remains in signaling position.

In each of the two positions assumed by the buckling member in its back-and-forth snap action, there is a so-called "locking" effect, where the buckling member dwells in position. This dwelling in each position is due to the differential expansion and contraction of the pull ribbon and buckling member. The buckling member remains or dwells in each position while the pull ribbon is expanding or contracting, but thereafter suddenly snaps and moves very rapidly through an equilibrium position located between the two "locked" positions. The differential expansion and contraction are caused by the divided circuit flow of current through the buckling member and pull ribbon, and the ambient cooling thereof.

Defendants contend that the invention of the 023 patent was anticipated by the prior art; that the claims in suit are invalid for lack of invention over the prior art; and also, that said claims are invalid because they are indefinite and vague. At this point it is appropriate to refer to the claims.

Claim 12 must be read together with claim 10. So combined, the claim covers:

> "10. A snap action device comprising of disc having an inherent diametral deformation therein tending to cause it to assume a constrained shape, a support element having laterally flexible pull means fastened thereto and radiating out therefrom, the

outer ends of said pull means being fastened to points of said disc at opposite ends of the deformation therein and on the convex side thereof whereby when the tension in said pull means is reduced the center of the disc snaps in one direction to assume its constrained shape and when the tension in said pull means increases the snap action of the center of the disc occurs in the other direction.

"12. The snap action device according to claim 10 wherein said pull means and disc are of electrical conducting material and the tension in said pull means is varied by differential expansion and contraction of said pull means and disc with passage of current therethrough."

Claim 17 reads as follows:

"17. A thermal switch device comprising a support, a buckling member having a portion adapted to occupy two different positions for operating a circuit opening and closing contact, and linear expansible pull means carried by said support and fastened at two spaced points to said buckling member to control the buckling thereof to cause said portion to occupy one of said positions responsively to current flowing through the expansible means, and said buckling member being carried by said expansible pull means, the buckling member being the form of a constrained disc with the outer ends of the expansible means fastened to one side of the disc at diametrically opposite points adjacent its periphery."

Claim 18 is identical to claim 17, except that the buckling member is described as "being a disc of comparatively

thin spring metal doubly constrained by having a transverse bend formed therein and by the pull of the expansible means fastened at its ends to the convex side of said bend."

Claim 23 covers:

> "23. A thermal switch device comprising a support, a substantially circular buckling member carrying a contact and having an inherent constraint tending to move said contact through a dead center position to occupy a circuit controlling position and linear expansible pull means carried by said support and fastened to said buckling member at two spaced points on the opposite sides of a transverse line passing through said contact to control the buckling thereof responsively to current flowing through the expansible means and said buckling member being carried by said expansible pull means."

Claim 26 reads as follows:

> "26. In a current responsive snap action device, a disc-like member of resilient electrically conductive material having a preformed crease along one diameter only to provide a single stable conformation in which the portions of the disc-like member on each side of the diameter form an included angle of less than 180°, and a flexible ribbon of electrically conductive material fixed to the disc-like member only at opposite ends of said diameter and overlying said diameter on the convex side of the crease, said disc-like member, depending upon the tension in said ribbon being either in the said position of stable conformation or in a position wherein it is bent oppositely thereto and about a diameter 90° to said

preformed crease whereby differential expansion and contraction of said ribbon and disc-like member with passage of current there-through changes the tension in said ribbon and causes snap action of said disc-like member through a neutral planar position from one to the other of said first mentioned positions."

As to invalidity of the claims because of anticipation, the parties are in agreement that no single prior art patent discloses a buckling member with unidirectional deformation therein having a flexible pull strip attached at its outer ends to the convex side of the buckling member and arranged parallel thereto to form the buckler of the 023 patent. Since no single prior art patent discloses the subject matter of the 023 patent as a whole, there has been no anticipation of the patented device. See *Skelly Oil Co.* v. *Universal Oil Products Co.*, 31 F. 2d 427, 431 (3 Cir. 1929); *Baldwin-Southwark Corp.* v. *Tinius Olsen T. Mach. Co.*, 88 F. 2d 910, 914 (3 Cir. 1937); *Southern Phosphate Corp.* v. *Phosphate Recovery Corp.*, 102 F. 2d 801 (3 Cir. 1939); *Dewey & Almy Chemical Co.* v. *Mimex Co.*, 124 F. 2d 986, 989 (2 Cir. 1942); *Firestone* v. *Aluminum Company of America*, 285 F. 2d 928 (6 Cir. 1960); *Monroe Auto Equipment Co.* v. *Heckethorn Mfg. & Sup. Co.*, 332 F. 2d 406 (6 Cir. 1964); 35 U. S. C. A. § 102.

As to invalidity of the claims because of lack of invention over the prior art, defendants take the position that even though the prior art may not anticipate the patent in question, the disclosures of the prior art in this case negative invention because all of the essential elements of the claims under attack are old and found in the prior art. See *Leishman* v. *General Motors Corp.*, 191 F. 2d 522, 530

(9 Cir. 1951); *Firestone* v. *Aluminum Company of America,* 285 F. 2d 928 (6 Cir. 1960); *Harvey* v. *Levine,* 322 F. 2d 481, 483 (6 Cir. 1963).

For example, as to claim 12, defendants point out that the essential elements of that claim are: a disc, with a diametrical deformation; a support; and a laterally flexible pull means fastened to the support and radiating out therefrom with the outer ends of the pull means fastened to the disc at opposite ends of the diametral deformation.

As to claims 17, 18 and 23, defendants say that the essential elements in each of said claims are: a support; a constrained disc or a substantially circular buckling member, deformed with an inherent constraint; and a pull means attached to the support and carrying the circular buckling member.

As to claim 26, defendants poinnt to two essential elements: a disc-like member of resilient electrically conductive material having a preformed crease along one diameter only to provide a single stable conformation in which the portions of this disc-like member on each side of the diameter form an included angle of less than 180°; and a flexible ribbon of electrically conductive material fixed to the disc-like member only at opposite ends of the diameter and overlying said diameter on the convex side of the crease of said disc-like member, and said disc-like member, depending upon the tension in the ribbon, being either in a position of stable conformation or in a position wherein it is bent oppositely thereto and about a diameter of 90° to said preformed crease.

Defendants argue that Schmidinger, in developing the snap action device described in his patent, did nothing more than to borrow from the prior art the essential elements of claims 12, 17, 18, 23 and 26 of the 023 patent; that in com-

bination these elements perform their normal and expected use to give a known result; and that Schmidinger added nothing new to the combination of the old elements, made no advancement in the field, and exercised no inventive skill.

The parties have cited 40 prior art patents to the Court as bearing on the claimed invention. All of them were the subject of expert testimony at the trial and analyzed in relation to the claims alleged to have been infringed.

In support of their argument of lack of invention, defendants refer to a number of the cited prior art patents that show snap action devices with buckling members of different design having inherent deformations tending to cause them to assume a constrained shape, and that also show support elements, and laterally flexible pull means. Illustrative are: Winger, 1,872,205; Hoopes, 2,024,362; Mottlau, 2,041,775; Dederick, 2,054,558; Burch, 2,253,552; Elmer, 2,266,537; Newton, 2,267,164; Mottlau, 1,680,429; Klahn, 1,784,450; Spencer, 1,813,776; Schmidinger, 2,321,049; Davis, 2,166,238; and Schmidinger, 2,133,309.

Plaintiffs admit that the elements of the patented device are separately disclosed in the prior art patents cited by defendants. It also appears that the prior art patents considered by the patent office during the prosecution of the application that resulted in the issuance of the 023 patent, some of which were noticed by defendants, separately disclosed round, square, and rectangular buckling members, mono and bimetallic in composition, with unidirectional deformations therein; flexible pull means of the type described in the 023 patent; and the use or flow of electric current in a divided circuit. The mere fact that all elements of a claim may be found or identified in prior art references does not necessarily negative invention. See *A. & P. Tea Co.* v. *Super-*

market Corp., 340 U. S. 147 (1950); *Reiner* v. *I. Leon Co.*, 285 F. 2d 501 (2 Cir. 1960); *Firestone* v. *Aluminum Company of America*, 285 F. 2d 928 (6 Cir. 1960); *Marvel Specialty Company* v. *Bell Hosiery Mills, Inc.*, 330 F. 2d 164 (4 Cir. 1964).

But invention may be negatived if the subject matter of the patent, by reference to the pertinent prior art would have been obvious, at the time the invention was made, to a person having ordinary skill in that art.

It thus becames apparent that the test for patentability, as laid down in 35 U. S. C. A. § 103, is controlling on the issue of the validity or invalidity of the claims in suit.

Section 103 provides that a patent may not be obtained "* * * if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

In considering the question of obviousness under section 103, the prior art must be viewed from the point in time just prior to when the patented device was made. Many things may seem obvious after they have been made, hence courts must guard against the use of hindsight. *Diamond Rubber Co.* v. *Consol. Tire Co.*, 220 U. S. 428, 435 (1911); *Craft-Stone, Inc.* v. *Zenitherm Co.*, 22 F. 2d 401, 402 (3 Cir. 1927); *Marvel Specialty Company* v. *Bell Hosiery Mills, Inc.*, 330 F. 2d 164, 172 (4 Cir. 1964); *Monroe Auto Equipment Co.* v. *Heckethorn Mfg. & Sup. Co.*, 332 F. 2d 406, 412 (6 Cir. 1964).

The difficulty of determining subjectively at some removed time whether a particular invention would have been obvious to a person of ordinary skill in the art, has caused

some courts to seek objective criteria of obviousness. *Reiner* v. *I. Leon Co.*, 285 F. 2d 501 (2 Cir. 1960); *Marvel Specialty Company* v. *Bell Hosiery Mills, Inc.*, 330 F. 2d 164 (4 Cir. 1964). See also *Drumhead Co. of American* v. *Hammond*, 18 F. Supp. 734 (W. D. Pa. 1936); *R. M. Palmer Company* v. *Luden's Inc.*, 128 F. Supp. 672 (E. D. Pa. 1955).

With these principles in mind, it becomes pertinent to inquire whether, in light of the prior art, it would have been obvious to a person having ordinary skill in the art, at the time the invention was made, to produce the snap action device described in the 023 patent. This Court thinks not.

It was back in 1931 that plaintiff Schmidinger first became interested in automobile signal installations. He sought to devise a switch that would function in the electrical system of an automobile automatically to open and close electrical contacts, and interrupt the flow of current to directional signal lamps. This was a switch that would, in operation, cause the signal lamps of an automobile to flash on and off, and indicate the direction of turn of the car.

In 1932, Schmidinger devised a switch that he hoped would meet basic requirements for operation as a flasher in an automobile electrical system. This first Schmidinger switch employed an electromagnet in conjunction with a tensioned wire to control an armature adapted to open and close electric contacts in the signal lamp circuit. This electromagnetic flasher device was composed of some 30 odd parts and lacked reliability in performance. It was offered to the automobile companies in 1932 and 1933, but was rejected.

Opinion

In 1934, Schmidinger devised a snap action flasher device called the sprung vane flasher, which was the subject matter of Schmidinger patent No. 2,074,345, now expired. This device was made up of only a few parts and had no electromagnet. It had utility for automatically interrupting the flow of electric current in a circuit in a uniform cyclic beat, but operated only if the current load did not exceed about 1 ampere. Since the load in the automobile electrical systems at the time was in excess of 1 ampere, the sprung vane flasher switch did not meet the requirements for control of automobile directional signal lamps. Schmidinger tried for years to improve this switch, but was unsuccessful. In addition to the efforts directed to the sprung vane flasher switch, Schmidinger continued his work to improve the operation of his electromagnetic switch and to reduce the cost thereof.

In 1937-1938, Schmidinger submitted an improved electromagnetic flasher to the Buick Motor Car Company, and this switch was accepted and installed in the 1939 Buick automobile. This device was the subject matter of Schmidinger patent No. 2,103,276, now expired. The 1939 Buick was the first American made motor vehicle to use flashing lights to indicate the direction of turn of the car, and the Schmidinger electromagnetic flasher was the first commercially used device for that purpose. Since that time, more than 40 states have enacted laws making the use of flashing directional signals on automobiles mandatory, and such signaling devices have become standard equipment in all new automobiles.

From 1939 to 1955, the only other commercially used automobile flasher was manufactured by the Fasco Company. The Fasco flasher came on the market after World

War II. It used an electromagnet in conjunction with a bimetal element to control an armature adapted to open and close electric contacts in the signal lamp circuit. When, in 1953-1955, the automobile companies changed over from the 6 volt to the 12 volt electrical system in their cars, the amperage in the circuit of the directional signal lamps dropped from 5.2 amperes to 3.6 amperes. At the lower amperage, the Fasco flasher could not operate properly, and when, in 1955, all of the new automobiles were equipped with a 12 volt electrical system, the Fasco flasher went off the market.

The evidence in this case clearly establishes that Schmidinger, since 1931, devoted his energies to the problem of inventing a flasher switch for automobile directional signals. For many years, the automobile companies were interested in the development of such a device. As already stated, the Schmidinger electromagnetic flasher switch was the first device found suitable for this purpose, and appeared in the 1939 Buick automobile.

It was not until 1943, that Schmidinger developed the the snap action device of the patent in suit, with very few parts, no electromagnet, and no bimetallic element. The production of such a device under the 023 patent has been the only commercial use made of that patent. That there was a long standing need for a simple and inexpensive flasher switch for control of automobile directional signals is evidenced by its rapid and widespread commercial success. The first commercial sales of the Schmidinger flasher device were made by plaintiff Tung-Sol in early 1956. Within three years, this flasher had captured 80% of the automobile market, and shortly thereafter completely displaced the Schmidinger electromagnetic flasher. Other

flashers presently on the market are those manufactured by Signal-Stat Corporation, as licensee of the Schmidinger patent, and the accused device made by defendants.

In addition to Schmidinger, other workers in the field, with the same prior art available to them as was available to Schmidinger, tried to develop a satisfactory flasher switch for automobiles without an electromagnet. Yet these men failed where Schmidinger succeeded. A number of patents were obtained by assignors to General Motors Corporation and others, but none of the devices covered by those patents attained commercial success or were used in any automobiles. Cited to the Court in this connection were the following patents: Harmon, 2,354,635; Berninger, 2,388,033; Sitzer, 2,537,485; Perry, 2,644,899; Cromwell, 2,788,414; Flatt, 2,820,120.

Thus, while it is true that the buckling member, flexible pull ribbon, and divided circuit of the 023 patent are each found in separate prior art patents, the fact is that these elements are so interrelated in the structure of the Schmidinger invention as to form a single integral unit that functions in a new and novel manner not disclosed in the prior art patents. The interrelationship of the parts, as put together by Schmidinger, and their functioning dependency on each other, has produced a unit capable of performing the reciprocating snap action with its "locking" effect, and of generating the heavy snap forces required for opening and closing the electrical contacts with firm contact pressure, fast make and break of contacts, and uniform cyclic beat. None of the prior art structures contain the interrelationship of the parts found in the Schmidinger device, and none of them were capable of performing the operation or producing the result of the structure of the patent in suit.

Opinion

The Court is satisfied from all the evidence, and so finds, that the subject matter of the 023 patent was not obvious at the time of invention to a person having ordinary skill in the art. It follows that the claims in suit are not invalid for lack of invention over the prior art. See *Imhaeuser* v. *Buerk*, 101 U. S. 647, 660 (1879); *A. & P. Tea Co.* v. *Supermarket Corp.*, 340 U. S. 147, 151-152 (1950); *Julius Levine & Co.* v. *Automatic Paper Machinery Co.*, 63 F. 2d 547, 549-550 (3 Cir. 1933); *Reiner* v. *I. Leon Co.*, 285 F. 2d 501 (2 Cir. 1960); 35 U. S. C. A. § 103.

Defendants also argue that the claims in suit are invalid because they are vague and indefinite and not in compliance with 35 U. S. C. A. § 112. They contend that the patent document does not teach the art how to make a commercially operative device. While the testimony of the experts is in conflict on this point, the Court is satisfied that the greater weight of credible testimony amply supports plaintiffs' position that a person having ordinary skill in the art could make the flasher switch for control of passenger automobile directional signal lamps by following the teachings of the 023 patent.

With particular reference to claim 26, defendants assert that the device of that claim is merely a toy because it lacks a support. However, while a support may be necessary for an operable structure, it is not a basic element of the invention, and need not, therefore, be set forth in the claim. It is quite apparent that one skilled in the art would know how to support the device of claim 26 in order to make it operable. See *Deering* v. *Winona Harvester Works*, 155 U. S. 286, 302 (1894); *Johnson Co.* v. *Philad Co.*, 96 F. 2d 442, 443 (9 Cir. 1938). It is also to be noted that a patent claim is not intended to be a manufacturing specification. See *Application of Gay*, 309 F. 2d 769, 774 (C. C. P. A. 1962).

Opinion

Another attack on the validity of the claims in suit is that some of them are functional in that the invention is stated in terms of result achieved rather than in terms of method of achievement. If the claims were so limited, they would indeed be invalid. But the claims here particularly point out and distinctly claim what Schmidinger regards as his invention. The functional statements appearing in the claims concerning the operation of the basic elements of the invention tends to make them more, rather than less, definite and specific. The "whereby" clauses appearing in the claims do not render the claims functional. See *Halliburton Co.* v. *Walker,* 329 U. S. 1, 12 (1946); *S. D. Warren Co.* v. *Nashua Gummed & Coated Paper Co.,* 205 F. 2d 602 (1 Cir. 1953).

It is further contended by defendants that the claims are indefinite and vague in regard to the angle of bend of the deformation or crease in the buckling member. Claim 26 states that the portions of the disc-like buckling member on each side of the deformation should form an included angle of less than 180°, without any specific mention of how much less than 180° the angle could or should be. However, the patent specification clearly sets forth "that the dihedral angle formed at the crease [of the buckling member] lies between 135° and 180°, say 170°." A person skilled in the art would have no difficulty in following the teachings of the patent claims in light of this specification. See *S. D. Warren Co.* v. *Nashua Gummed & Coated Paper Co., supra; Torok* v. *Watson,* 122 F. Supp. 788, 793 (D. D. C. 1954). Under all of the circumstances, the Court finds that the claims in suit are not invalid for fatal indefiniteness, as alleged by defendants.

The statute, 35 U. S. C. A. § 282, declares that a patent shall be presumed to be valid, and that the burden of estab-

lishing invalidity shall rest on the party asserting it. This burden is a heavy one. See *Mumm* v. *Decker & Sons,* 301 U. S. 168, 171 (1937). Defendants here, in the Court's opinion, have failed to carry the burden imposed upon them by law. While the presumption of validity is by no means conclusive, it is strengthened where, as here, the Court finds that the patents upon which defendants rely (Smith, 2,487,684; Burch, 2,402,312; Dederick, 2,054,558; and Spencer, 1,448,240; 1,697,886; 1,711,430; 1,776,012; 1,883,252; 1,939,286; 1,602,510; 1,813,776), fail to add anything to the prior art disclosures considered by the patent office during prosecution of the applications that resulted in the issuance of the 023 patent. See *Williams Mfg. Co.* v. *United Shoe Mach. Corporation,* 121 F. 2d 273, 277 (6 Cir. 1941).

It remains to consider whether the accused device infringes the claims of the patent in suit, and whether the doctrine of file wrapper estoppel has any application to the facts of the case.

The burden of proving infringement rests upon plaintiffs. *General Chemical Co.* v. *Selden Co.,* 60 F. 2d 144, 150 (W. D. Pa. 1932).

Defendants take the position that the claims of the patent in suit are limited to a combination of specific elements arranged in a particular manner, which are not found in the accused device; that file wrapper estoppel prevents plaintiffs from broadening the claims to cover the accused device because of the abandonment and amendment of claims during patent office prosecution; and that since the accused device does not read upon the claims, and does not function in the same manner specified in the patent to produce the same result, there is no infringement.

Opinion

Plaintiffs argue that defendants utilize the principle of the invention of the 023 patent and infringe the claims under the equitable doctrine of equivalents, and that nothing that transpired in the patent office proceedings estops them from resorting to that doctrine.

The accused device follows generally the teachings of the claims in issue. It is constructed and operates as a flasher switch substantially as described in the 023 patent. The patent document teaches the application of the principle of the Schmidinger invention to a flasher switch that can be made to operate as an automobile directional signaling device. Reference has already been made in this opinion to the specific language of the specifications relating to "a flasher for automobile direction signal and stop lights."

Defendants stress the differences in the shapes of the buckling members, and the location and attachment of the fixed supports and movable contacts in the patented and accused devices.

In the accused device, the buckling member is rectangular in shape. In the patented device, it is circular. In the claims in issue, the buckling member is described as a "disc", "disc-like", or "substantially circular".

In the accused device, the fixed support is attached to the buckling member, and the movable contract is mounted on the pull ribbon. In the patented device, the fixed support is attached to the pull ribbon, and the movable contact is mounted on the buckling member. Claim 26 makes no mention of either a fixed support or movable contact.

Defendants focus entirely too much attention on the physical structure selected by Schmidinger to illustrate the principle of his invention, and apparently seek to limit or restrict the 023 patent to that structure. While it may be

that defendants have not been guilty of a literal infringement of the patent, the infringement is nevertheless established under the range of equivalents to which a patent is normally entitled.

The Court finds that the shape of the buckling member, whether circular or rectangular, is not a material part of the Schmidinger invention, and has no effect on the operation of the device. The prior art patents, as previously noted, disclosed buckling members of varying sizes and shapes. It is also clear that the reversal of parts, the fixed supports and movable contacts, likewise has no effect on the functioning of the unit. These are mere differences in detail that do not affect the substance of the invention. Put side by side, the fact is that the accused device, notwithstanding the changes indicated, does the same work, in substantially the same way, and accomplishes the same result as the patented device. Under the so-called doctrine of equivalents, the accused device does not avoid infringement by these inconsequential variations in structure. See *Winans* v. *Denmead,* 56 U. S. 329, 342 (1853); *Graver Mfg. Co.* v. *Linde Co.,* 339 U. S. 605, 607 (1950); *Piano Motors Corporation* v. *Motor Player Corporation,* 282 F. 435, 439 (3 Cir. 1922); *Knight* v. *Tollner Electric Co.,* 42 F. 2d 264 (E. D. N. Y. 1930); *Reitzsch* v. *Paradis,* 83 F. 2d 273 (3 Cir. 1936); *Georgia-Pacific Corp.* v. *United States Plywood Corp.,* 258 F. 2d 124, 137 (2 Cir. 1958); *Baldwin-Lima-Hamilton Corp.* v. *Tatnall Meas. Sys. Co.,* 169 F. Supp. 1, 8 (E. D. Pa. 1958); *Marvel Specialty Company* v. *Bell Hosiery Mills, Inc.,* 330 F. 2d 164, 174 (4 Cir. 1964).

Defendants point to other differences in the accused and patented devices in support of their argument of noninfringement. They call attention to the fact that the pull

ribbon in the accused device is positioned two-thirds of the way down from the top of the buckling member, while in the patented device the ribbon is located at the dead center of the deformation of the buckling member; that the center of the buckling member in the accused device is not free to move because the fixed support is attached to it, while in the patented device the buckling member moves and snaps at the center; and that the buckling member in the accused device, unlike the buckling member in the patented device, does not have a permanent undirectional deformation or preformed crease with planar sides and an included angle of less than 180°.

The Court finds that the claims in issue do not require that the pull ribbon be located at the dead center of the deformation of the buckling member. It was shown at trial that whether or not the ribbon is off dead center has no effect on the operation of the device. It was also demonstrated that the buckling member of the accused device does in fact snap at the center since the support is attached near the bottom edge of said buckling member. And it was also made apparent that the buckling member of the accused device does contain a deformation or crease which functions substantially as described in the patent.

On the whole case, the Court is satisfied from the evidence, from visual examination of the patented and accused devices, and from demonstrations in court, that the accused device infringes claims 12, 17, 18, 23 and 26 of the 023 patent.

With respect to file wrapper estoppel, the record shows that on July 6, 1944, Schmidinger filed patent application, Serial No. 543,623, for a device called "Thermal Control Means"; on July 18, 1950, he filed another patent applica-

tion, Serial No. 174,411, entitled "Thermal Switch for Circuit Control"; and on July 21, 1951, he filed a third patent application, Serial No. 237,958, for a "Snap Action Device". On August 2, 1951, Schmidinger abandoned the first two applications in favor of a continuation-in-part of the third application, which issued as patent 2,615,106 on October 21, 1952. On July 14, 1955, this patent was reissued as the patent in suit following Schmidinger's filing of patent application Serial No. 427,406 on May 3, 1954, also for a "Snap Action Device". Claims 12, 17, 18 and 23 of the 106 patent are the same as those bearing corresponding numbers in the 023 patent. Claims 25 and 26 are added claims.

Defendants argue that an analysis of the patent applications and the cancellation and restriction of claims in connection with their prosecution in the patent office, show that plaintiffs are estopped from asserting infringement by a device that does not literally read upon the claims of the patent in suit. More specifically, defendants say plaintiffs are restricted by the terms of the claims to a buckling member that is a "disc" or circular in shape, and a structure in which the fixed support is attached to the pull ribbon, and that resort may not be had to the doctrine of equivalents to overcome these limitations.

Under the doctrine of file wrapper estoppel, a patentee who is compelled by the patent office to insert a narrowing limitation into a claim to avoid rejection on the prior art, cannot thereafter broaden said claim by eliminating the narrowing limitation in order to establish infringement. See *Shepard* v. *Carrigan,* 116 U. S. 593, 597 (1886); *Abercrombie & Fitch Co.* v. *Baldwin,* 245 U. S. 198, 208 (1917); *Weber Elec. Co.* v. *Freeman Elec. Co.,* 256 U. S.

668, 677 (1921); *I. T. S. Co.* v. *Essex Co.*, 272 U. S. 429, 443 (1926); *Exhibit Supply Co.* v. *Ace Corp.*, 315 U. S. 126, 136 (1942).

The Court has made a careful examination of the file wrapper history of the patent in suit, designated as cases 1, 2, 3 and 4, and finds nothing therein that would limit the claims in suit to a specific form or shape of buckling member or to a structure in which the fixed support can only be attached to the pull ribbon. The evidence in this case discloses that at no time during prosecution of the several applications in the patent office did Schmidinger insert the word "disc" or the expression "support attached to pull ribbon" into any of the claims in order to overcome or avoid a rejection on the prior art patents. Nor does it appear that Schmidinger abandoned all shapes for his buckling member, other than round, when he made an election of species of a disc. In fact, the patentee at all times asserted claims to a buckling member regardless of shape, or to a "disc-like" buckling member which was the equivalent of the other shape buckling members of the prior art patents. As to the support, Schmidinger obtained in claim 26, as well as in claim 25, the allowance of a claim with no limitation to, or even mention of, a support. For these reasons, the Court finds that file wrapper estoppel is not present in this case.

As stated earlier in this opinion, plaintiffs also assert a cause of action for unfair competition against defendants for allegedly using in their manufacture of the accused device, certain confidential information and trade secrets claimed to have been acquired by Welsh while in the employ of Tung-Sol. In a notice filed in this action on January 3, 1964, plaintiffs advised defendants that they would rely upon certain items of confidential information, manufac-

turing techniques, and test procedures in support of this cause of action. These items, covering six different categories, were separately treated at the trial, and the specification of said items, as well as answers to interrogatories pertaining thereto, and depositions, were placed in sealed envelopes. The testimony of witnesses who testified in court on this phase of the case appears in a separate volume. The Court has been requested not to disclose any of the details concerning plaintiffs' trade secrets in its opinion. This request will, of course, be honored, and only general references will be made to those matters considered confidential by plaintiffs.

Defendants take the position that none of the items specified by plaintiffs are in fact trade secrets; that every category of plaintiffs' so-called "trade secrets and confidential information", is generally known in the trade and published in numerous patents and other publications; and that even if defendants were using such material, which they deny, they would incur no liability to plaintiffs.

The specification of confidential information and trade secrets filed by plaintiffs related to the importance of measurement of snap and unsnap forces in the buckling member; the use of a gauge to measure such forces; the importance of measurement of bow height in the buckling member; the requirement that the material used for the buckling member be heat treated for hardness; the importance of a burr-free cut in forming the buckling member; and the necessity for obtaining a pull ribbon of such hardness that it will not stretch during use.

The testimony at trial went somewhat beyond the specific items listed by plaintiffs, and discussed *"control"* rather than *"measurement"* of snap forces in the buckling member and bow height of the assembled unit. This con-

trol was said to be of advantage in reducing "shrinkage" which would otherwise result due to the inability of suppliers to maintain absolute uniformity in the physical characteristics of the raw materials. There was also testimony regarding the advantage of using a particular metal of a particular hardness in the buckling member and pull ribbon to insure long life and ease of manual adjustment. It was also stated that the combination of the metals used in the buckling member and pull ribbon were advantageous in making possible a tight weld that would not slip. Finally, there was testimony that efforts had been made by Tung-Sol to achieve complete automation in production, but that after extensive investigation it was found that such could not be accomplished, and that some manual adjustment of the units was necessary. Tung-Sol says that knowledge of this fact (that complete automation is not possible, and that some manual adjustment of the units is necessary) would be of advantage to a competitor, by saving him the time and effort to find this fact out for himself.

Defendants object to so much of the testimony offered by plaintiffs that goes beyond the trade secrets and confidential information listed by them in the notice filed in this action. While there has been some broadening of said items, the Court is satisfied that most of the alleged "new matter" may reasonably be considered to come within the scope of the items formally listed by plaintiffs.

Before passing upon the merits of plaintiffs' cause of action for unfair competition, it is appropriate to note some general principles of law governing trade secrets and confidential information in the area of employer-employee relations. The attack here is directed primarily at Welsh for allegedly appropriating to his own use, plaintiffs' trade

secrets and other information in violation of a confidential relationship.

The burden of proof rests upon plaintiffs to prove that what they allege to be trade secrets or confidential information are in fact secret or confidential; that disclosures thereof were made to Welsh in confidence; and that defendants used these disclosures to the detriment of plaintiffs. See *Smoley* v. *New Jersey Zinc Co.*, 106 F. 2d 314 (3 Cir. 1939); *American Sign and Indicator Corp.* v. *Schulenburg*, 167 F. Supp. 20, 27 (E. D. Ill. 1958); *General Steel Products Company* v. *Lorenz*, 204 F. Supp. 518, 539 (S. D. Fla. 1962).

It is well established that a former employee owes a duty of loyalty to his former employer not to use trade secrets or information imparted to him in confidence, after there has been a termination of the employment relationship. There need be no express agreement in this regard. In the absence of contract, the obligation to refrain from using or disclosing a former employer's trade secrets after the employer-employee relationship ceases, will be imposed by law. The gist of the action is the breach of confidence resulting in conduct below that of established business morality. But it is also a well established rule that an employee has an unqualified right to leave his employment and use for himself or disclose to a competitor of his former employer, the skills and knowledge acquired in the earlier employment. See *Midland-Ross Corporation* v. *Yokana*, 293 F. 2d 411, 412 (3 Cir. 1961); *Sun Dial Corp.* v. *Rideout*, 16 N. J. 252 (1954).

The subject matter of a trade secret must, in fact, be secret, but it need not rise to the dignity of a patentable invention. While not susceptible of exact definition, a trade

secret may consist of any "formula, pattern, device or compilation or information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it." But "[m]atters of public knowledge or of general knowledge in an industry cannot be appropriated by one as his secret. Matters which are completely disclosed by the goods which one markets cannot be his secret." *Restatement, Torts,* § 757, pp. 5, 6 (1939). See also, *Sun Dial Corp.* v. *Rideout, supra* at p. 257; *Smolcy* v. *New Jersey Zinc Co.,* 24 F. Supp. 294, 300 (D. N. J. 1938), aff'd, 106 F. 2d 315; *Dollac Corporation* v. *Margon Corporation,* 164 F. Supp. 41, 57 (D. N. J. 1958); *Midland-Ross Corporation* v. *Yokana,* 185 F. Supp. 594 (D. N. J. 1960), aff'd, 293 F. 2d 411.

A careful consideration of that part of the record relating to plaintiffs' cause of action for unfair competition leads the Court to conclude, in light of applicable law, that plaintiffs have not sustained their burden of proving by a preponderance of the evidence that what they claim as confidential information and trade secrets are in fact such, or, if they could be so classified, that defendants have utilized such data in their mass production of the infringing device.

With respect to the measurement of snap and unsnap forces in a buckling member, and the use of a gauge to measure such forces, a witness for plaintiffs admitted, that as a general proposition, his work in measuring the snap and unsnap forces of the buckling member of the Schmidinger device, involved no more than the application of ordinary engineering skill to obtain uniformity of these forces. This same witness also admitted that the gauge developed by him to measure these forces was a simple device capable of being constructed by a senior engineering

student and required no more than ordinary engineering skill in its construction. But even if plaintiffs' method of measuring the snap and unsnap forces of a buckling member could be said to be a trade secret or classified as confidential, there is no proof that defendants use a gauge or other instrument to measure the snap and unsnap forces of the buckling member of the devices made by them.

Another alleged trade secret of plaintiffs has to do with measurement of the distance between the pull ribbon and the bottom of the channel formed in the buckling member in its cold snapped position. This distance is called the "bow height". A visual examination of the patented device shows that the bow height is inherent in the construction of the device, and it would be a simple matter to measure this distance. The Schmidinger 106 patent, in figure 6, shows that the bow height is inherently formed when the pull ribbon is tensioned. It also appears from the 023 patent in suit that tension in the pull ribbon may be adjusted for desired operation of the snap action device. Even if it be assumed that the importance of measurement of bow height in a buckling member, and the method of achieving such measurement is a trade secret, there is no evidence that defendants concern themselves with measurement of the bow height in any of their devices, or that they use a gauge or other instrument to measure the bow height of any of the devices made by them.

The heat treatment of the material of the buckling member to obtain satisfactory hardness is another item listed by plaintiffs as a trade secret. It is a well known principle that metals may be heat treated in order to harden them or vary internal stresses. It is admitted that this is well known in the art and is taught in courses leading to an engineering degree. Such treatment of metals is disclosed in

a number of patents. See Hoopes, 2,024,362; Mottlau, 2,041,775. Schmidinger, in the 023 patent in suit, teaches that the metal used in the buckling member of his snap action device may be heat treated in order to permanize the constraint therein. Information concerning treatment of metals for particular uses and purposes appears in the trade literature put out by the major suppliers in the metal industry. The evidence discloses that both Welsh and Tung-Sol consulted with their suppliers regarding appropriate metals for use in their devices, and the manner of treatment of such metals to obtain the requisite hardness.

As to the importance of a clean cut with no burrs in forming the buckling member, it is difficult to attribute to this operation anything in the nature of a trade secret. The testimony establishes that it is a well known and long recognized engineering principle that when metal is cut, it is preferable that the metal be burr free after the cut. There is no evidence that defendants at any time considered it important to have a burr-free cut in forming the buckling members used in their device.

The last of the six items specified in the notice filed by plaintiffs, deals with the necessity for obtaining a pull ribbon of a hardness that will prevent stretching during use. It is admitted, as a well known and long recognized engineering principle, that if a metal is to be used for a repetition pulling operation, a metal must be selected that will not stretch. A Tung-Sol witness admitted that Nichrome wire is very popular for use as a heating wire. Schmidinger, in the 023 patent in suit, recommends use of a nickel alloy as the material for the pull ribbon when the snap action device is to be used as a flasher. Perry, in 2,644,899, a patent noticed by plaintiffs, recommends Nichrome wire in the pull wire of the flasher covered by his

patent. Under the circumstances, plaintiffs may not claim a trade secret in that which has been shown to be a matter of common knowledge.

The expansion of these alleged trade secrets beyond the scope indicated by the notice filed in this case on January 3, 1964, does not help plaintiffs. Whether one talks in terms of "measurement" or "control" of the forces in the buckling member of a snap action device, or "measurement" or "control" in the bow height of the assembled unit, the same observations made by the Court regarding measurement of the snap and unsnap forces in a buckling member, and measurement of bow height, apply here as well.

The new matter also stressed the importance of using particular metals of a particular hardness in the buckling member and pull ribbon of the device for ease of manual adjustment and long operating life of the flasher. For reasons already stated, use of these metals cannot be claimed as a trade secret. Disclosures in this connection will be found in the 023 patent in suit, and in Perry 2,644,899. See also: Winger, 1,872,205; Elmer, 2,266,537; Klahn, 1,784,450; Spencer, 1,602,510.

Another expansion of the original specification of trade secrets stated that the combination of certain named metals used in the buckling member and pull ribbon of the patented device was of advantage in producing a tight weld that would not slip. The proofs show that plaintiffs use a commercially available welding machine in their welding operations. Apparently, what is alleged to be secret is the adjustments made to that machine to produce the desired weld. This involves experimentation until the machine is set in regard to pressure and timing. It is admitted that a person skilled in the welding art, by the use of a device used by plaintiffs, also commercially available, could make the

various changes in pressure and timing on the welding machine to bring about the desired result. If the tight weld mentioned by plaintiffs is due to the characteristics of the metals used, there would be no basis for the claim of trade secret because such metals have been commonly used in the manufacture of snap action devices. On the other hand, if the secret is said to be the adjustments made in the welding machine, there is no proof that the welding methods employed by plaintiffs are used by defendants.

In the last of the new matters, plaintiffs assert that knowledge of the fact that the flasher units had to be manually adjusted, and that complete automation in production was not possible, would be advantageous to a competitor in that he would save the time and effort expended by Tung-Sol to ascertain this fact. This assertion borders on speculation. A competitor of Tung-Sol might well achieve complete automation in production. It is difficult to see how the "failure" to accomplish something, can be classified as confidential or a trade secret. Moreover, manual adjustment of snap action devices, such as a flasher switch, is not new. Schmidinger, in the 023 patent in suit, teaches that his snap action device can be manually adjusted by tensioning the pull ribbon.

The Court is satisfied from the evidence in this case that the manufacturing operations in the mass production of the patented and accused devices differ in many material respects. As compared with the test procedures and techniques employed by plaintiffs, those used by defendants may be characterized as comparatively crude.

Other considerations also have a bearing in this case. Welsh was a graduate engineer, with a degree in Electrical Engineering, when he went to work for Tung-Sol in 1944.

He, himself, was the patentee of three patents covering snap action devices. Welsh quit Tung-Sol's employ in September 1952. It is true that following a demonstration of the Schmidinger device to the management of Tung-Sol in December 1950, Welsh was instructed to work on the development of techniques for its mass production. It is not at all clear just what was accomplished by Welsh and his co-workers in furtherance of mass production methods from December 1950 to September 1952. Tung-Sol claims that the basic techniques for mass production of the Schmidinger device had been perfected during that period. This is denied. Entirely too much is left to conjecture. That there was much experimentation is not open to question. One thing is clear, however, and that is that Tung-Sol was far from mass production of the patented device in 1952. It had, at that time, only a pilot line in operation. It was not until the early part of 1956, that Tung-Sol made its first commercial sales of the Schmidinger flasher switch.

It is also interesting to note that after leaving Tung-Sol, Welsh found employment with Signal-Stat Corporation. This was in or about November 1952. Within a month's time, Welsh made a flasher switch that Tung-Sol considered to be an infringement of the 023 patent. In November 1956, after a lapse of four years, Tung-Sol sued Signal-Stat for the alleged infringement. Welsh was not made a party defendant to the action. The complaint in that action, notwithstanding that Signal-Stat had been commercially mass producing the Welsh flasher, made no charges of unfair competition or violations of trade secrets against either Signal-Stat or Welsh. The litigation was settled by Tung-Sol granting to Signal-Stat a non-exclusive license under the 023 patent, limited to the manufacture and sale of the Welsh device.

Opinion

Welsh remained in the employ of Signal-Stat until July 1959, during which period Signal-Stat continued to mass produce the device that was the subject of the 1956 infringement action. Eight years after leaving Tung-Sol's employ Welsh, for the first time, by amendment to the complaint filed in this action, was accused of appropriating plaintiffs' trade secrets and other information in violation of a confidential relationship. It seems strange that this charge was not made in the 1956 Signal-Stat infringement suit. The protestation that "plaintiffs properly asserted their rights as soon as the knowledge of the facts of unfair competition became available", is not too persuasive. Even assuming a basis for plaintiffs' cause of action, the long delay and lack of diligence on the part of plaintiffs, plus Welsh's change of position over the years, would justify invoking the doctrine of laches to bar relief.

Plaintiffs' cause of action for unfair competition will be dismissed. On the patent infringement suit, plaintiffs' application for counsel fees will be denied. With respect to damages in that action, the Court will reserve decision, until after damages are assessed, as to whether said damages should be increased as permitted by 35 U. S. C. A. § 284.

Counsel for plaintiffs, on notice to counsel for defendants, will please submit a proposed order providing for an injunction and accounting in the patent infringement action, for a dismissal of defendants' first counterclaim challenging the validity of said patent, and for a dismissal of plaintiffs' cause of action for unfair competition.

This opinion shall constitute findings of fact and conclusions of law in accordance with Rule 52(a) of the Federal Rules of Civil Procedure.

Schmidinger, since 1931 devoted his energies to the problem of inventing a flasher switch for automobile directional signals. . . . It was not until 1943, that Schmidinger developed the snap action device of the patent in suit with very few parts, no electromagnet and no bimetallic element."

The defendants argue that the detailed steps which Schmidinger took in making the discovery of his patented structure shows lack of invention. Defendants here again ignore the twelve years of failure Schmidinger experienced with various combinations of sprung vane and flexible pull strip including the failure of putting a flexible pull strip on the convex side of a dished buckling member which rendered the structure inoperative (R 793a-794a). The defendants also ignore 35 USC 103 which provides "Patentability shall not be negatived by the manner in which the invention was made."

The defendants criticize claim 26 in because there is no reference to a support set forth in the claim. The same contention was faced by the Supreme Court in the Adams case *supra*. The Supreme Court stated at pages 48-49:

> "[2] There are several basic errors in the Government's position. First, the fact that the Adams battery is water-activated sets his device apart from the prior art. It is true that Claims 1 and 10, supra, do not mention a water electrolyte, but, as we have noted, a stated object of the invention was to provide a battery rendered serviceable by the mere addition of water.
>
> * * * *
>
> ". . . it is fundamental that claims are to be construed in the light of the specifications and both are to be read with a view to ascertaining the invention, Seymour v. Osborne, 11 Wall. 516, 547 (1871); Schriber-Schroth Co. v. Cleveland Trust Co.,

311 U. S. 211 (1940); Schering Corp. v. Gilbert, 153 F. 2d 428 (1946). Taken together with the stated object of disclosing a water-activated cell, the lack of reference to any electrolyte in Claims 1 and 10 indicates that water alone could be used."

As brought out hereinabove, the '023 patent specification makes it clear that the active elements are to be supported by one electric terminal when used in the automobile electric circuit for the directional signal lamps. The support is but a passive element. As stated in the '023 patent specification at R 2010a Column 9, lines 35 to 40:

> "The support is a passive element which in each case has been described as including means for adjusting the initial tension in the pull means. Obviously the active elements if in proper adjustment will operate as described irrespective of how supported."

The present case is stronger on its facts than the Adams case in that the support is but a passive element and not the exact point of novelty which sets the device apart from the prior art in the Adams case. The holding of the Court below on the issue of support is in keeping with the Supreme Court decision in the Adams case. The Court below stated at R 76a:

> "However, while a support may be necessary for an operable structure, it is not a basic element of the invention, and need not, therefore, be set forth in the claim. It is quite apparent that one skilled in the art would know how to support the device of claim 26 in order to make it operable. . . . citing cases."

Even the defendants' expert agreed there was no need for the support element in claim 26 (R. 1820a-1825a).

SCHMIDINGER U.S. REISSUE PATENT NO. 24,023

Patent Specification Excerpt

Col. 9 – Lines 27-47 (R2010)

Various embodiments of the (The) snap action device of the invention comprising essentially the diametrically constrained disc, the laterally flexible pull strip or wire, and the central support to which the pull strip is secured and by which it is tensioned, have (has) now been described. It will be apparent that in the case of the thermally actuated snap action device, the only active elements are the diametrically deformed disc and the tensioned pull means. The support is a passive element which, in each case, has been described as including means for adjusting the initial tension in the pull means. Obviously the active elements, if in proper adjustment, will operate as described, irrespective of how supported. The snap action of the device occurs as a result of change in tension in the pull strip. When the device is thermally actuated, whether by passage of current therethrough or by changes in ambient temperature, the tension change in the pull strip is caused by expansion or by contraction of either the pull strip or of the disc, depending upon the particular materials employed and their relative dimensions.

**

SCHMIDINGER U.S. REISSUE PATENT NO. 24,023

Patent Claim Excerpt

Original Patent Claim 19, Col. 11 – Lines 60-70 (R2011)

19. A thermal switch device comprising a support, a buckling member operating a circuit opening and closing contact and linear expansible pull means carried by said support and fastened at two spaced points to said buckling member to control

SCHMIDINGER U.S. REISSUE PATENT NO. 24,023

Patent Claim Excerpt (Cont'd)

the buckling thereof responsively to current flowing through the expansible means and said buckling member being carried by said expansible pull means and the latter comprising two parts disposed in line with each other and said support comprising two relatively adjustable portions to which are fastened respectively the inner ends of the expansible pull parts.

Reissue Patent Claims 25 and 26 (R2011-2012)

Col. 12 – Lines 45-75
Col. 13 – Lines 1-10

25. In a snap action device the combination comprising a disc-like member of resilient material having a preformed crease therein along a single diameter only to provide a single position of stable conformation in which the portions of the member on each side of the diameter form an included angle of less than 180°, and an elongated pull member laterally flexible relative to the surface of said disc-like member and secured under tension to said disc-like member only at opposite ends of the crease therein and extending parallel to and overlying such crease along the convex side thereof, said disc-like member, depending upon the tension in said elongated pull member, being either in said position of stable conformation or in a position wherein it is curved oppositely thereto and about a diameter 90° to said crease, said disc-like member snapping through a neutral planar position from the position of stable conformation to the oppositely curved position in response to increase in tension in said pull member and snapping through the neutral planar position to the position of stable conformation from the oppositely curved position with decrease in tension in the pull member.

26. In a current responsive snap action device, a disc-like mem-

ber of resilient electrically conductive material having a preformed crease along one diameter only to provide a single stable conformation in which the portions of the disc-like member on each side of the diameter form an included angle of less than 180°, and a flexible ribbon of electrically conductive material fixed to the disc-like member only at opposite ends of said diameter and overlying said diameter on the convex side of the crease, said disc-like member, depending upon the tension in said ribbon being either in the said position of stable conformation or in a position wherein it is bent oppositely thereto and about a diameter 90° to said preformed crease whereby differential expansion and contraction of said ribbon and disc-like member with passage of current therethrough changes the tension in said ribbon and causes snap action of said disc-like member through a neutral planar position from one to the other of said first mentioned positions.

**

CONSTITUTION, STATUTES AND RULE INVOLVED

Constitution

Article 1, Sec. 8, Clause 8

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries; ***

Statutes

Title 35 U.S.C.

Sec. 101 – Inventions patentable

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent

CONSTITUTION, STATUTES AND RULE INVOLVED

Statutes (Cont'd)

therefor, subject to the conditions and requirements of this title.

Sec. 112 – Specification

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. ***

Sec. 271 – Infringement of patent

(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent. ***

Federal Rules of Civil Procedure

Rule 52. Findings by the Court

*** Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. ***

LIBRARY
SUPREME COURT, U. S.

Office-Supreme Court, U.S.
FILED
JAN 31 1968
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1967

No. 926

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC, INC.,

Petitioners,

vs.

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION and its HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., and its HUDSON LAMP CO., INC., DIVISION,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

WILLIAM J. UNGVARSKY
Counsel for Respondents

Of Counsel:
RICHARD A. HUETTNER
WILLIAM F. NOVAL
Kenyon & Kenyon
59 Maiden Lane
New York, New York 10038

INDEX

	PAGE
Opinions Below	1
Jurisdiction	1
Questions Presented	2
Statement of the Case	2
Argument	4
Conclusion	8

CITATIONS

Table of Cases

Aro Manufacturing Co. et al. v. *Convertible Top Replacement Co., Inc.*, 365 U. S. 336 (1961)	5
Exhibit Supply Co. v. *Ace Patents Corporation*, 315 U. S. 126 (1942)	7
Graham v. *John Deere Co.*, 383 U. S. 1 (1966)	4, 7
I. T. S. Rubber Company v. *Essex Rubber Company*, 272 U. S. 429 (1926)	7
Morgan Envelope Co. v. *Albany Perforated Wrapping Paper Company*, 152 U. S. (1894)	7
Pacific States Electric Co. v. *Wright*, 277 Fed. 756, (9 Cir., 1922)	4
Schriber-Schroth Co. v. *The Cleveland Trust Co.*, 311 U. S. 211 (1940)	6
Smith v. *Magic City Kennel Club, Inc.*, 282 U. S. 784, (1931)	7

IN THE

Supreme Court of the United States

OCTOBER TERM, 1967

No. 926

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC, INC.,
Petitioners,

vs.

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION and its HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., and its HUDSON LAMP CO., INC., DIVISION,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Opinions Below

The opinion of the District Court is reported at 243 F. Supp. 852 (D. N. J., 1965) (Pet. pp. 33-65). The opinion of the Court of Appeals for the Third Circuit is reported at 383 F. 2d 455 (1967) (Pet. pp. 14-32).

Jurisdiction

The jurisdictional requisites are adequately set forth in the petition.

Questions Presented

1. Did the Court below err in finding that combination claim 26 of the patent in suit was invalid because it recited an inoperable device possessing no utility?

2. Did the Court below err in finding no infringement by respondents by applying the doctrine of file wrapper estoppel prohibiting petitioners from expanding its claims to cover structures defined by claims canceled and abandoned during the prosecution of the patent in suit?

Statement of the Case

Respondents were sued in the United States District Court for the District of New Jersey (Newark) by petitioners for infringement of claims 12, 17, 18, 23 and 26 of Schmidinger's Reissue Patent No. Re. 24,023 which reissued on July 14, 1955.* The Court below held claims 12, 17, 18 and 23 valid but not infringed, and claim 26 invalid. The "invention" of the patent in suit is for a snap action device of wide application. The Court below properly found that:

> "The patent specification describes a snap action device that may be actuated by electrical, thermal, or mechanical forces, or by a combination of them." (Pet. p. 16)

* * *

*The reissue patent in suit is a reissue of United States Letters Patent No. 2,615,106 which issued on October 21, 1952 on an application filed July 21, 1951. The '106 patent was a continuation-in-part of abandoned United States applications S. N. 543,623 filed July 6, 1944 and S. N. 174,411 filed July 18, 1950.

> "The device comprises three elements; (1) a disc, (2) a laterally flexible pull wire or strip secured at its ends to the disc at the opposite ends of a diameter and (3) a support element secured to the pull strip, preferably at the center of said pull strip." (Pet. p. 16)

The device can be used as a switch for an automobile dirrectional signal flasher. When so used, electrical current passes through the support element to the flexible strip attached to the support and then to the disc. By means of thermal expansion and contraction of the strip, the center of the disc is caused to snap from one position to another, opening and closing the electrical circuit.

Claims 12, 17, 18 and 23 define a snap action device containing the three elements set forth above. Claim 26 has only two elements: (1) the disc and (2) the laterally flexible pull wire secured at its ends to the disc at the opposite ends of a diameter.

Claim 26 defines an inoperable structure void of any utility. It is nothing more than two pieces of metal having specific shapes that are joined together and floating in a vacuum. They cannot be made operable unless they are supported in a specific manner, and since the supporting element is absent from the claim, the claim is void of utility.

During the prosecution of the patent in suit, the petitioners attempted to gain allowance of claims which would cover the respondents' structure. These claims were rejected by the Patent Office Examiner and the respondents canceled them in favor of other claims defining the structure in more specific detail. Although the petitioners attempted at various times to reclaim that which they had canceled and abandoned, the Examiner continued his refusal to grant these claims. The petitioners acquiesced to the limitations and did not appeal the rejections.

Argument

The Court of Appeals properly held that:

> "A support is necessary to make Schmidinger's device operable and in a combination patent there is no single essential element. Every element in the combination must join in setting out and defining an operable device possessing utility." (Pet. p. 25)

The District Court found that a support for claim 26 was necessary for an operable structure but nevertheless held the claim valid. The Court of Appeals correctly ruled that the District Court was in error in holding that an inoperable combination claim could be valid. (Pet. p. 25).

The experts of both parties agreed that a support is necessary to make an operable device, (R. 688a, 698a-699a, 704a-706a) and that claim 26 does not define a device having utility (R. 1542a-1546a).

This Court has held in *Graham* v. *John Deere Co.*, 383 U. S. 1 (1966) at page 12:

> ". . . that patentability is dependent upon three explicit conditions: novelty and *utility* as articulated and defined in § 101 and § 102, and non-obviousness, the new statutory formulation, as set out in § 103 . . ."

A claim for an inoperable structure is invalid. In *Pacific States Electric Co.*, v. *Wright*, 277 Fed. 756, 758 (9 Cir., 1922), the Court said:

> "Both the drawings and the specifications of the appellee's device show that both its lower and its upper waffle members are separately pivotally connected with its base or grill member, which three parts the patentee, as has been shown, expressly de-

> clares to be the principal parts of his invention. It is plain, therefore, that to eliminate either one of those parts is, as is said for the appellant, to destroy not only the structure but the law of operation of the device of the appellee. That a claim for a combination to be valid must be for an operative combination is clear. *F. F. Slocomb & Co., Inc.* v. *Layman Machine Co.* (D. C.) 227 Fed. 94, 104; Id., 230 Fed. 1021, 144 C. C. A. 286; *M'Caslin* v. *Link Belt Machinery Co.* (C. C.) 139 Fed. 393; Id., 147 Fed. 243, 77 C. C. A. 385."

There is no error in the Court's finding that claim 26 is an invalid combination claim because it lacks operability and utility. *Aro Manufacturing Co. et al.* v. *Convertible Top Replacement Co., Inc.*, 365 U. S. 336, 344-5 (1961).

The Court of Appeals carefully considered the scope of claims 12, 17, 18 and 23 and properly held that they were entitled to no equivalents in view of the file wrapper estoppel. There is no disagreement between the parties that respondents' device does not literally infringe these claims.

The Court below analyzed in detail the proceedings involved in the prosecution of the patent in suit (Pet. pp. 26-30) and ruled that respondents' "case on file wrapper estoppel is conclusive." (Pet. p. 29) The Court agreed with respondents' contention:

> ". . . that during the prosecution of 023 in the Patent Office the patentee agreed to certain limitations of his asserted claims. Having agreed to these limitations in order to obtain allowance of 023, the defendants contend that Schmidinger cannot now claim that which he previously had released to the public domain. Specifically, the defendants argue that Schmidinger, in order to overcome Patent Office objections based on prior art, limited his device

> to one which has the buckling member solely supported by the pull means, the stationary support attached to the pull means, not to the buckling member, and to a buckling member which is substantially circular . . ."

The conclusion of the Court of Appeals is in accord with the cases of this Court. In *Schriber-Schroth Co.* v. *The Cleveland Trust Co.*, 311 U. S. 211 (1940), this Court said at page 218:

> "Where the patentee in the course of his application in the patent office has, by amendment, cancelled or surrendered claims, those which are allowed are to be read in the light of those abandoned and an abandoned claim cannot be revived and restored to the patent by reading it by construction into the claims which are allowed."

and at pages 222-3:

> "It is a rule of patent construction consistently observed that a claim in a patent as allowed must be read and interpreted with reference to claims that have been cancelled or rejected, and the claims allowed cannot by construction be read to cover what was thus eliminated from the patent." [Cases cited]
>
> * * *
>
> ". . . The patentee may not, by resort to the doctrine of equivalents, give to an allowed claim a scope which it might have had without the amendments, the cancellation of which amounts to a disclaimer." [Cases cited]
>
> * * *
>
> ". . . The injurious consequences to the public and to inventors and patent applicants if patentees were

> thus permitted to revive cancelled or rejected claims and restore them to their patents are manifest. See Leggett v. Avery, 101 U. S. 256, 259.
>
> True, the rule is most frequently invoked when the original and cancelled claim is broader than that allowed, but the rule and the reason for it are the same if the cancelled or rejected claim be narrower. Morgan Envelope Co. v. Albany Paper Co., 152 U. S. 425, 429; Wm. B. Scaife & Sons Co. v. Falls City Woolen Mills, 209 F. 210, 213; see Computing Scale Co. v. Automatic Scale Co., 204 U. S. 609, 620, 621; cf. in case of disclaimer Altoona Publix Theatres, Inc. v. Tri-Ergon Corp., 294 U. S. 477, 492, 493."

See also *I. T. S. Rubber Company* v. *Essex Rubber Company*, 272 U. S. 429, 443-445 (1926); *Morgan Envelope Co.* v. *Albany Perforated Wrapping Paper Company*, 152 U. S. 425, 429 (1894); *Smith* v. *Magic City Kennel Club, Inc.*, 282 U. S. 784, 788-90 (1931); *Exhibit Supply Co.* v. *Ace Patents Corporation*, 315 U. S. 126, 136-7 (1942); *Graham* v. *John Deere Co.*, 383 U. S. 1, 33 (1966).

The petitioners in their brief argue that certain words were not "inserted" in a claim in order to overcome a rejection, and therefore the doctrine of file wrapper estoppel should not apply. The Court of Appeals properly pointed out that some of the original claims contained specific structure that was canceled after rejection by the Examiner and other new claims were "inserted" but later canceled because of the prior art references. The doctrine of file wrapper estoppel applies to cancellation of original and subsequently inserted claims in addition to individual words.

The Court of Appeals below correctly applied the doctrine of file wrapper estoppel as set forth by this Court in the cases cited above.

Conclusion

It is respectfully submitted that the petition for a writ of certiorari be denied.

Respectfully submitted,

WILLIAM J. UNGVARSKY
Counsel for Respondents

Of Counsel:

RICHARD A. HUETTNER
WILLIAM F. NOVAL
Kenyon & Kenyon
59 Maiden Lane
New York, New York 10038

INDEX

	PAGE
STATEMENT OF CASE	1
ARGUMENT	3
CONCLUSION	6

CITATIONS

Altoona Publix Theatres, Inc. v. *Tri-Ergon Corp.*, 294 U. S. 477 (1934)	5
Aro Manufacturing Co. et al. v. *Convertible Top Replacement Co., Inc.*, 365 U. S. 336 (1961)	3
Blackford v. *Commissioner of Patents*, ... F. Supp. ...., 156 USPQ 97 (D. D. C., 1967)	3
Computing Scale Co. of America v. *Automatic Scale Company*, 204 U. S. 609 (1907)	5
Exhibit Supply Co. v. *Ace Patents Corporation*, 315 U. S. 126 (1942)	6
Graham et al. v. *John Deere Co. of Kansas City et al.*, 383 U. S. 1 (1966)	3, 6
I. T. S. Rubber Company v. *Essex Rubber Company*, 272 U. S. 429 (1926)	5
Leggett v. *Avery*, 101 U. S. 256 (1879)	5
Morgan Envelope Co. v. *Albany Perforated Wrapping Paper Company*, 152 U. S. 425 (1894)	5
Schriber-Schroth Co. v. *The Cleveland Trust Co.*, 311 U. S. 211 (1940)	4
Smith v. *Magic City Kennel Club, Inc.*, 282 U. S. 784 (1931)	6
Wm. B. Scaife & Sons Co. v. *Falls City Woolen Mills*, 209 Fed. 213 (1913)	5

IN THE

Supreme Court of the United States

OCTOBER TERM 1967

No. 926

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC, INC.,

Petitioners,

v.

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION and its HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., and its HUDSON LAMP CO., INC., DIVISION,

Respondents.

REPLY BRIEF TO BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

STATEMENT OF THE CASE

An omission appears in the respondents' statement of the case which is hereby corrected.

In the last paragraph at page 3 of respondents' brief, it is alleged that during Patent Office prosecution of the application that resulted in the '023 reissue patent in suit claims

covering the respondents' structure (with support attached to buckling member) were rejected by the Patent Office and Schmidinger acquiesced in the rejection and cancelled such claims from his application.

In making this statement, respondents have ignored the fact that Schmidinger in continuing prosecution of the reissue application achieved the allowance of broad reissue claims 25 and 26 which encompass the subject matter of the cancelled claims within their scope. On this point the District Court stated at (A55)*:

> "As to the support, Schmidinger obtained in claim 26, as well as in claim 25, the allowance of a claim with no limitation to, or even mention of, a support. For these reasons, the Court finds that file wrapper estoppel is not present in this case." (Also see A 68-70)

The mere fact of persisting in the prosecution to the final allowance of the broad reissue patent claims 25 and 26 refutes any acquiescence on the part of Schmidinger in the Patent Office rejection referred to by the respondents.

Aside from this important omission, the respondents agree with petitioners' statement of the case and the fact that the issue of file wrapper estoppel centers on the question as to whether the doctrine of file wrapper estoppel, which imputes to a patentee abandonment of all that is surrendered when a broad claim is cancelled in order to obtain the allowance of a narrower claim over the prior art, should be applied when a narrow claim is cancelled in favor of the allowance of a broad patent claim which embraces the substance of the narrow cancelled claim within its scope.

---

*Page reference to appendix of Petition for Writ of Certiorari No. 926.

ARGUMENT

(a) Validity

The respondents at pages 4 and 5 of their argument have cited decided cases in support of the proposition that a combination claim to be valid must include all the elements necessary for an operative structure. These cases are in direct conflict with the clear holding of the decided cases set forth at pages 6 and 7 of the Petition for Writ of Certiorari and this conflict certainly provides an added rason as to why the petition should be granted.

If the Court below was correct in its interpretation of the Supreme Court decisions in *Graham* v. *John Deere,* 383 U. S. 1 (1966) and *Aro Manufacturing Co.* v. *Convertible Top,* 365 U. S. 336 (1961), then it would be a requirement under our patent laws that all the elements necessary for an operable structure be set forth in a subcombination claim. But this is in direct conflict with the statutory provisions of 35 U. S. C. 112.

Under 35 U. S. C. 112 an applicant is directed to include in his patent application "one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention". There is no requirement here to claim an operable structure and indeed the loading of a claim with old elements not of the applicant's invention but necessary for an operable structure would only obscure the contribution to the art which the applicant claims as his invention. Clarity in claims brought about by "particularly pointing out and distinctly claiming" the subject matter which the applicant deems to be his invention is the congressional mandate. On this point for example see *Blackford* v. *Commissioner of Patents,* ... F. Supp. ..., 156 USPQ 97 (D. D. C., 1967) where the Court stated at page 98:

> "All too often claims tend to conceal rather than disclose the invention. Claims of the type drafted

by the plaintiff have been encouraged by the Patent Office as far back as 1917."

This conflict with statutory law is an added reason why this Court should grant a review of the decision below.

(b) Infringement

At pages 6 and 7 of the brief, respondents argue that the Court below followed Supreme Court decisions in arriving at the conclusion of file wrapper estoppel based on the fact that narrow specific claims were cancelled in favor of broad allowed patent claims which embraced the substance of the narrow claims within their scope. In this argument the respondents foster the same misinterpretation of the *Schriber-Schroth Co.* v. *The Cleveland Trust Co.*, 311 U. S. 211 (1940) that is inherent in the conclusion of the Court below and set forth 'in 'dicta' in the decided cases referred to at page 12 of the Petition for Writ of Certiorari. The respondents' argument emphasizes the confusion and conflict that exists between those cases upon which it relies and the clear contrary holding of the cases set forth at pages 8 and 9 of the Petition for Writ of Certiorari.

The Schriber case involved the issue of validity of a patent and as such the case loses its logic and direction when applied to the different issue of infringement of valid patent claims which is the present issue under question for review.

In the Schriber case at page 222 the Court estopped the patentee from reading "flexible webs" of narrow cancelled claims back into the broad allowed patent claim to "webs" in order to save the claim from anticipation by the prior art. The same issue of validity was presented in the cases which the Supreme Court cited with approval in the Schriber

case. More specifically, in *Leggett* v. *Avery,* 101 U. S. 256, 259, the Court held a reissue patent invalid for claiming an invention which the patentee had specifically disclaimed under the patent laws in existence in 1879. In *Morgan Envelope Co.* v. *Albany Paper Co.,* 152 U. S. 425, 429, "oval" and "oblong" of narrowed cancelled claims could not be read into a broad allowed patent claim to save the claim from invalidity. In *Wm. B. Scaife & Sons Co.* v. *Falls City Woolen Mills,* 209 Fed. 210, 213, the Court refused to limit a broad patent claim to a specific type of filter in order to save the claim from invalidity. In *Computing Scale Co.* v. *Automatic Scale Co.,* 204 U. S. 609, 621, 622, the Court read a limitation into a broad allowed patent claim in order to save the claim from invalidity for anticipation by the prior art. In *Altoona Publix Theatres, Inc.* v. *Tri-Ergon Corp.,* 294 U. S. 477, 493, the Court held a patent invalid because of an improper disclaimer which the patentee had specifically entered in the Patent Office.

As distinguished from these cases, Schmidinger does not desire to read a limitation back into his patent claims and we know of no good reason to force him to do so on the issue of infringement. The issue for determination in this case is whether the doctrine of the above cases having originated within the confine of the issue of validity should be expanded to apply to the different issue of infringement. This question has not yet been faced by the Supreme Court and should be answered to dispel the confusion and conflict that exist in the decisions below as to the proper interpretation of the Schriber case.

The remaining cases cited by the respondents merely reiterate the well known doctrine, that limitations inserted into a claim which result in an allowance over the prior art may not be ignored on the issue of infringement. Thus in *I. T. S. Rubber Company* v. *Essex Rubber Company,* 272

U. S. 429, 438, 439 (1926), allowance of the patent was obtained by narrowing the claims to a lift in which "the concave upper face of the lift lies entirely below a plane tangent to the rear upper edge and breast portion of the lift". In *Smith* v. *Magic City Kennel Club, Inc.*, 282 U. S. 784, 788, 789 (1931), the patent was obtained by narrowing the claims to "a wheel rotatably mounted on and supporting the arm at the projection end thereof". In *Exhibit Supply Co.* v. *Ace Patents Corporation*, 315 U. S. 126, 136, 137 (1942), the patent was obtained by narrowing the claims to elements "embedded in the table". In *Graham* v. *John Deere Co.*, 383 U. S. 1, 33 (1966), the patent was obtained by narrowing the claims to "a rib" and the Court stated the well established rule of estoppel as applied to the issue of infringement that "claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent".

This doctrine is not applicable to the present case where narrow claims were cancelled in favor of broad allowed patent claims 25 and 26.

CONCLUSION

It is believed that the respondents' brief has provided added reasons for granting the Petition for Writ of Certiorari.

Respectfully submitted,

February 1, 1968

WILLIAM D. LUCAS
Counsel for Petitioners

MELVIN H. KURTZ
of Counsel

LIBRARY
SUPREME COURT, U. S.

FILED
JAN 2 1968
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM 1967

No. 981

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION and its HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., and its HUDSON LAMP CO., INC., DIVISION,

Petitioners,

v.

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC, INC.,

Respondents.

CONDITIONAL CROSS-PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

RICHARD A. HUETTNER
Attorney for Petitioners
KENYON & KENYON
59 Maiden Lane
New York, New York 10038

Of Counsel:
WILLIAM F. NOVAL

TABLE OF CONTENTS

	PAGE
Citations to Opinions Below	1
Jurisdiction	2
Question Presented	2
Statutes Involved	2
Conditional Cross-Petition for Writ of Certiorari	3
Statement of Case	3
Argument	5
Conclusion	7
Appendix	1a
Opinion of the Third Circuit Court of Appeals	1a-19a

CITATIONS

Table of Cases

Graham v. *John Deere Co.*, 383 U. S. 1 (1966) . . 2, 5, 6, 7

Great Atlantic & Pacific Tea Co. v. *Supermarket Equipment Corp.*, 340 U. S. 147 (1950) 2, 5, 6, 7

Hotchkiss v. *Greenwood*, 11 How. 248, 267 6

United States v. *Adams*, 383 U. S. 39 (1966) 2

STATUTES

28 U. S. C. 1254(1), 1338 and 1440(b) 2

35 U. S. C. 103 . . . . . 2, 5, 7

IN THE

Supreme Court of the United States

OCTOBER TERM 1967

No. .....

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION and its HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., and its HUDSON LAMP CO., INC., DIVISION,

Petitioners,

v.

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC, INC.,

Respondents.

CONDITIONAL CROSS-PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Petitioners pray that a Writ of Certiorari issue to review that part of the Judgment of the United States Court of Appeals for the Third Circuit entered in the above-entitled case on October 2, 1967, holding claims 12, 17, 18 and 23 of United States Letters Patent Re. 24,023 valid in the event that this Court should grant the petition for a Writ of Certiorari filed by the plaintiff-respondents, Schmidinger et al. on December 18, 1967, No. 926.

Citations to Opinions Below

The opinion of the United States Court of Appeals is reported at 383 F. 2d 455, (1967), 155 U. S. P. Q. 289 (3d Cir. 1967) and is included in the Appendix hereto (pp. 1a-19a). The opinion of the United States District Court is reported at 243 F. Supp. 852 (D. N. J. 1965).

Jurisdiction

The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1). Jurisdiction originally in the United States District Court for the District of New Jersey was based on 28 U. S. C. § 1338 and § 1440(b). The date of entry of the judgment in the Third Circuit Court of Appeals which petitioners seek to have reviewed is October 2, 1967.

Question Presented

Did the Court below fail to follow the standard of non-obviousness for patentability under 35 U. S. C. § 103 as set forth by this Court in *Graham* v. *John Deere Co.*, 383 U. S. 1 (1966), *United States* v. *Adams* 383 U. S. 39 (1966) and *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U. S. 147 (1950), when it held that the combination of three well-known and long-existing elements incorporated in a mechanical-electrical switch reached the dignity of patentable invention rather than being the product of routine work of a mechanic having ordinary skill in the art at the time the patented combination was achieved?

Statutes Involved

The provisions of Section 103 of the 1952 Patent Act (35 U. S. C. 103) are involved in this cross-petition and read as follows:

> "Conditions for patentability; non-obvious subject matter
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and

the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

Conditional Cross-Petition for Writ of Certiorari

This cross-petition for a Writ of Certiorari is requested only if the plaintiff-respondents', Schmidinger et al., Writ of Certiorari, No. 926, be granted. Defendant-petitioners, by this Writ, believe that the review by this Court should encompass the entire case if opponents' petition is granted. The Third Circuit Court of Appeals held claims 12, 17, 18 and 23 valid but not infringed by defendant-petitioners. By this holding the defendant-petitioners have incurred no liability and therefore do not seek a reversal of the Court of Appeals' Judgment as to non-infringement; however, if the plaintiff-respondents' Writ is granted, by necessity, this Court should consider the validity of the patent in suit, and therefore this Writ of Certiorari under those circumstances should be granted.

Statement of Case

Petitioners were sued in the United States District Court for the District of New Jersey (Newark) by respondents for infringement of claims 12, 17, 18, 23 and 26 of Schmidinger's Reissue Patent No. Re. 24,023 which reissued on July 14, 1955.* The Court below held claims 12, 17, 18

*The reissue patent in suit is a reissue of United States Letters Patent No. 2,615,106 which issued on October 21, 1952 on an application filed July 21, 1951. The '106 patent was a continuation-in-part of abandoned United States applications S. N. 543,623 filed July 6, 1944 and S. N. 174,411 filed July 18, 1950.

and 23 valid but not infringed, and claim 26 invalid. The "invention" of the patent in suit is for a snap action device of wide application. The Court below properly found that:

> "The patent specification describes a snap action device that may be actuated by electrical, thermal, or mechanical forces, or by a combination of them." (p. 3a)
>
> * * *
>
> "The device comprises three elements; (1) a disc, (2) a laterally flexible pull wire or strip secured at its ends to the disc at the opposite ends of a diameter and (3) a support element secured to the pull strip, preferably at the center of said pull strip." (p. 3a)

The device can be used as a switch for an automobile directional signal flasher. When so used, electrical current passes through the support element to the flexible strip attached to the disc, and by means of thermal expansion and contraction of the strip, the center of the disc is caused to snap from one position to another, opening and closing the electrical circuit.

The Court below also found that:

> "The plaintiffs seemingly concede and we conclude, as did the Court below, that the three elements of the specification as hereinbefore stated were fully anticipated by the prior art but they contend that the combination of those three elements creates a device that is new, useful and non-obvious, and therefore patentable . . ." (p. 7a)

The Court below further found (pp. 9a-10a) that in 1943 the patentee, Schmidinger, made efforts to improve his non-magnetic flasher by making simple variations to

flashers disclosed in two of his prior art patents* and that the supplying of electrical current to the center of the pull wire was not new. Creasing the buckling member at its center also was old (Klahn Patent No. 1,784,451). The *only* feature found by the Court below as not being disclosed in the prior art was deforming the buckling member along its long axis. However, if one has a disc, there cannot be any long or short axis since every diametral deformation is of equal length. In concluding that the long axis deformation was the point of novelty the Court did not consider Hoopes Patent No. 2,024,362, Fig. 15 (PX 1, tab 7); Elmer Patent No. 2,266,537, Fig. 3 (PX 1, tab 10) and Dederick Patent No. 2,054,558 (PX 1, tab 25), all of which do show buckling members deformed along its long axis.

Even though the Court of Appeals found all the elements of the Schmidinger patent old, it concluded that:

> "... Schmidinger's disclosures were not 'obvious ... to a person having ordinary skill in the art.' 35 U. S. C." (p. 12a)

Argument

The Third Circuit Court of Appeals in holding claims 12, 17, 18 and 23 valid, applied a standard of obviousness under 35 U. S. C. § 103 that is directly in conflict with this Court's latest decision, *Graham* v. *John Deere Co.* 383 U. S. 1 (1966) and that applied in the *Great Atlantic & Pacific Tea Company* v. *Supermarket Equipment Corp.*, 340 U. S. 147 (1950).

In both of those cases, like the one before the Court now, the validity of the claims of a combination patent in-

*United States Letters Patents 2,177,671 and 2,299,767.

volving old known prior art elements were in issue. In *Graham* v. *John Deere Co.:*

> "The invention, a combination of old mechanical elements, involves a device designed to absorb shock from plow shanks as they plow through rocky soil and thus to prevent damage to the plow." (383 U. S. 4).

In *A & P Tea Company* v. *Supermarket Equipment Corp.,* this Court stated that:

> "The District Court explicitly found that each element in this device was known to prior art." (340 U. S. 149).

In the case now before the Court, the same is also true. The Third Circuit Court of Appeals held:

> "The plaintiffs seemingly concede and we conclude, as did the Court below, that the three elements of the specification as hereinbefore stated were fully anticipated by the prior art but they contend that the combination of those three elements creates a device that is new, useful and non-obvious, and therefore patentable." (p. 7a).

Each of the three elements of the patented combination are shown in the prior art and each element functioned in the same manner in the prior art as it does in the patented device.

The history of the development of the patented device shows that Schmidinger, the patentee, did nothing more than make routine changes to other switches that were on the market.

> "In other words, the improvement is the work of a skillful mechanic, not that of an inventor." *Hotchkiss* v. *Greenwood,* 11 How. 248, 267.

Any differences between the elements of the patented device and the combination thereof is so insignificant that it does not meet the standards of the *John Deere* or *A & P* cases. Where a patent rests upon exceedingly small and quite non-technical mechanical differences, it should be held invalid as not meeting the requirements of 35 U. S. C. § 103.

Neither Court below made any finding that the old elements which made up the patented device perform any additional or different function in the combination than they performed out of it.

The patentee has only extracted known elements within the public domain and inserted them into a combination where they performed the same function that they performed in the prior art and has unlawfully extended a monopoly for a combination which should be available to everyone. The invention claimed in the patent in suit is the work of a mechanic having ordinary skill in the art and should have been obvious at the time of the invention. It does not overcome the requirements specified in 35 U. S. C. § 103 as set forth by this Court in *Graham* v. *John Deere* and *A & P* v. *Supermarket* cases.

Conclusion

Petitioners respectfully request that this Conditional Cross-Petition for a Writ of Certiorari be granted if respondents' Writ of Certiorari is granted in No. 926.

RICHARD A. HUETTNER
Attorney for Petitioners
KENYON & KENYON
59 Maiden Lane
New York, New York 10038

Of Counsel:
WILLIAM F. NOVAL

Appendix

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 15830

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC INC.,

Appellants,

v.

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION AND ITS HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., AND ITS HUDSON LAMP CO., INC., DIVISION.

No. 15831

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC INC.,

v.

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION AND ITS HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., AND ITS HUDSON LAMP CO., INC., DIVISION,

Appellants,

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Argued February 10, 1967

Before: BIGGS, HASTIE and FORMAN, *Circuit Judges*

OPINION OF THE COURT

(Filed October 2, 1967)

Appendix

By BIGGS, *Circuit Judge.*

The appeal and cross appeal at bar concern patent rights and trade secrets respecting a "Snap Action Device" among whose uses are a switch for an automobile directional signal flasher, a thermostat, a circuit breaker and an overload protector. In the suit at bar, however, we are concerned only with the device's use as a switch for an automobile directional signal flasher. We shall discuss it primarily in this connection. The device is disclosed by Reissue Patent 24,023.

I. THE ISSUE OF VALIDITY OF REISSUE PATENT 24023.

In 1952, Schmidinger, the individual plaintiff, was issued United States Reissue Patent 24,023 for the "Snap Action Device."[1] Prior to 1952 Schmidinger had granted the exclusive manufacturing rights to his device to Tung-Sol Electric, Inc., the corporate plaintiff, subject to a non-exclusive license to Signal-Stat Corporation. During the period of development the defendant James Welsh had been employed by Tung-Sol as a supervisory engineer in charge of the manufacture of Schmidinger signal flashers. In 1952 Welsh left Tung-Sol to go with its chief competitor, Signal-Stat Corporation, where he was employed until the summer of 1959. In the fall of 1959, Welsh and his wife, Marie, also a defendant, formed the defendant corporation, Welflash Inc., for the purpose of manufacturing and selling automobile directional signal flasher devices including the alleged infringing device.[2]

Schmidinger and Tung-Sol assert that the Welflash flasher constitutes an infringement of claims of the 023

1 Reissue Patent 24,023 was reissued June 14, 1955 upon an application dated May 3. 1954, Serial No. 427406. The original Patent 2,615,106 was dated October 21, 1952, Serial No. 237958, July 21, 1951.

2 The defendant, Oxford Electric Corporation and its wholly-owned subsidiaries, defendants Hudson Lamp Company, Inc. and Best Manufacturing Company, Inc., have acquired all the physical assets, manufacturing techniques, and knowledge of Welflash, Inc., to carry on the business of that company in the production of the accused device which is a directional signal flasher. Oxford, Hudson and Best manufacture the Welflash flasher, the alleged infringing device.

patent and that the defendants are guilty of unfair competition in that Welsh misappropriated the plaintiffs' trade secrets for the mass production of flashers. The defendants assert that the 023 patent is invalid, deny infringement and unfair competition. Jurisdiction is based on Sections 1338 and 1400(b), 28 U.S.C.

The court below held five claims (hereinafter set out) of the 023 patent valid and infringed by the Welflash device but that there had been no misappropriation of trade secrets. See 243 F. Supp. 852.[3]

Schmidinger and Tung-Sol have appealed at our No. 15830 and from the ruling of the court below that there was no misappropriation of trade secrets. The defendants have appealed at our No. 15831 from the holding that the 023 patent is valid and infringed by the Welflash device.

The patent specification describes a snap action device that may be actuated by electrical, thermal, or mechanical forces, or by a combination of them. The device comprises three elements; (1) a disc, (2) a laterally flexible pull wire or strip secured at its ends to the disc at the opposite ends of a diameter, and (3) a support element secured to the pull strip, preferably at the center of said pull strip. The disc is of spring material and has a crease along its diameter underlying the laterally flexible pull strip. The pull strip may be continuous between the points of its attachment to the disc and is mounted on a support under longitudinal tension. The support is to be so constructed as to permit adjustment or variation of the tension in the strip. The specification goes on to state that the disc under predetermined increase of tension in the pull strip snaps from a position in which the halves of the disc on each side of the crease extend outwardly away from the pull strip at an angle of less than 180° to a second position in which the disc is bowed in the opposite direction about a diameter of 90° to the preformed crease.

[3]Second and third counterclaims, charging unfair competition and violation of antitrust laws, referred to in the opinion 243 F. Supp. at 854 as being reserved, were dismissed with prejudice by a stipulation approved by Judge

Appendix

As to the operation of the device, the court below stated, *id. supra,* at 855:

> "In operation, and in the initial starting position, tension in the pull ribbon holds the buckling member in its snapped position. In this position the center of the buckling member is bowed out to form a channel positioned 90° to the permanent deformation and of opposite curvature thereto. The 90° channel of opposite curvature causes a gap to form between the buckling member and the pull ribbon. This 90° channel of opposite curvature is characteristic of the snap action of what plaintiffs termed the 'hard' buckler of the patented device, which Schmidinger achieved by means of a single flexible pull ribbon arranged on the convex side of the buckling member parallel to the deformation.
>
> "When the buckling member is in its snapped position, a gap is formed between the buckling member and pull ribbon. At such time the electrical contacts are closed. When the operator of the automobile moves the signal lever into signalling position, electric current passes through the buckling member and pull ribbon in a divided flow to generate heat and relax the tension in the ribbon. As a result, the buckling member snaps to close the gap and open the electrical contacts. Thereupon, the buckling member and pull ribbon cool and contract, until the tension in the ribbon is restored to snap the buckling member and open the gap. The electrical contacts again close, and the cycle is automatically repeated as long as the directional signal lever remains in signaling position.
>
> "In each of the two positions assumed by the buckling member in its back-and-forth snap action, there is a so-called 'locking' effect, where the buckling member dwells in position. This dwelling in each position is due to the differential expansion and con-

traction of the pull ribbon and buckling member. The buckling member remains or dwells in each position while the pull ribbon is expanding or contracting, but thereafter suddenly snaps and moves very rapidly through an equilibrium position located between the two 'locked' positions. The differential expansion and contraction are caused by the divided circuit flow of current through the buckling member and pull ribbon, and the ambient cooling thereof."

In an attempt to describe the operation of the 023 device as a directional signal flasher in simplest terms, we state that an electric current flows through the flexible pull ribbon to the disc. The pull ribbon when heated by the current, expands and thereby allows the disc to snap to its natural shape which breaks the flow of electricity through the disc to the flasher light. As the metals of the pull ribbon and the disc cool the disc returns to its original creased condition causing the flasher light to go on again and the cycle is repeated.[4]

The claims in issue are set out in the footnote.[5] Claims 12, 17, 18 and 23 are combination claims having the

---

4 Charles Becker, Manager of the Sales Department of Tung-Sol, describes the Schmidinger device, P-2, in lay terms as "This is the Tung-Sol series flasher that incorporates the buckling member with a hot wire attached to either end on the convex side, current flowing through the wire causes the buckler to snap, opening and closing contact, [and thereby] flashes the lamp."

5 "12. The snap action device *according to claim 10* wherein said pull means and disc are of electrical conducting material and the tension in said pull means is varied by differential expansion and contraction of said pull means and disc with passage of current therethrough." (Emphasis added.)

Claim 10, not in issue, is incorporated into claim 12. Claim 10 reads as follows:

"10. A snap action device comprising a disc having an inherent diametral deformation therein tending to cause it to assume a constrained shape, a support element having laterally flexible pull means fastened thereto and radiating out therefrom, the outer ends of said pull means being fastened to points of said disc at opposite ends of the deformation therein and on the convex side thereof whereby when the tension in said pull means is reduced the center of the disc snaps in one direction to assume its constrained shape and when the tension in said pull means increases the snap action of the center of the disc occurs in the other direction."

The other claims in issue follow:

"17. A thermal switch device comprising a support, a buckling member having a portion adapted to occupy two different positions for operating a

three elements set out above. Claim 26 is described as having the first two elements stated above. The third element, the support, is not included in claim 26. All the claims in issue are directed to a flasher switch for the operation and control of automobile directional signals, the two working parts, the pull ribbon and the disc, being actuated by the passage of electrical current through them as distinguished from other claims of the patent, not in issue, some of which cover a thermostat actuated by ambient temperature. "Ambient temperature" means, of course, the temperature of surrounding air. The sole com-

---

circuit opening and closing contact, and linear expansible pull means carried by said support and fastened at two spaced points to said buckling member to control the buckling thereof to cause said portion to occupy one of said positions responsively to current flowing through the expansible means, and said buckling member being carried by said expansible pull means, the buckling member being the form of a constrained disc with the outer ends of the expansible means fastened to one side of the disc at diametrically opposite points adjacent its periphery."

"18. A thermal switch device comprising a support, a buckling member having a portion adapted to occupy two different positions for operating a circuit opening and closing contact, and linear expansible pull means carried by said support and fastened at two spaced points to said buckling member to control the buckling thereof to cause said portion to occupy one of said positions responsively to current flowing through the expansible means, and said buckling member being carried by said expansible pull means, the buckling member being a disc of comparatively thin spring metal doubly constrained by having a transverse bend formed therein and by the pull of the expansible means fastened at its ends to the convex side of said bend."

"23. A thermal switch device comprising a support, a substantially circular buckling member carrying a contact and having an inherent constraint tending to move said contact through a dead center position to occupy a circuit controlling position and linear expansible pull means carried by said support and fastened to said buckling member at two spaced points on the opposite sides of a transverse line passing through said contact to control the buckling thereof responsively to current flowing through the expansible means and said buckling member being carried by said expansible pull means."

26. In a current responsive snap action device, a disc-like member of resilient electrically conductive material having a preformed crease along one diameter only to provide a single stable conformation in which the portions of the disc-like member on each side of the diameter form an included angle of less than 180°, and a flexible ribbon of electrically conductive material fixed to the disc-like member only at opposite ends of said diameter and overlying said diameter on the convex side of the crease, said disc-like member, depending upon the tension in said ribbon being either in the said position of stable conformation or in a position wherein it is bent oppositely thereto and about a diameter of 90° to said preformed crease whereby differential expansion and contraction of said ribbon and disc-like member with passage of current therethrough changes the tension in said ribbon and causes snap action of said disc-like member through a neutral planar position from one to the other of said first mentioned positions."

mercial use of the 023 device has been in the control of automobile directional signals.

The plaintiffs seemingly concede and we conclude, as did the court below, that the three elements of the specification as hereinbefore stated were fully anticipated by the prior art but they contend that the combination of those three elements creates a device that is new, useful and non-obvious, and therefore patentable. We agree for the reasons stated hereinafter.

We desire to make it clear that we are aware that the validity of claims of a combination patent cannot rest on any "essential" element, "gist" or "heart" asserted to lie in the invention. Aro Manufacturing Company v. Convertible Top Company, 365 U.S. 336, 345 (1961). The defendants contend in this court, as they did in the court below, that the patent in suit is invalid because the disclosure was obvious to any individual possessing the ordinary skill in the art. This is their principal defense on the issue of patentability. Concededly patent claims, not the specifications of a patent, measure the invention, Smith v. Snow, 294 U.S. 1 (1935), and while a specification may be referred to to limit a patent claim it cannot be available to expand it. Darsyn Laboratories, Inc. v. Lennox Laboratories, 120 F. Supp. 42 (D.C.N.J. 1954), *aff'd per curiam*, 217 F.2d 648, *certiorari den.* 349 U.S. 921 (1955). But it is fundamental that claims are to be construed in the light of the specifications and both are to be read with a view to ascertaining the invention. Seymour v. Osborne, 11 Wall. 516, 547 (1871).

If we turn to Claim 12 of the patent which we deem to be substantially similar to the other claims in issue save Claim 26, we find that it claims a snap-action device "according to claim 10"; the tension pull ribbon and the disc to be varied by the differential expansion and contraction of the pull ribbon and the disc by passing an electric current through them.

The issue presented, therefore, is whether 023 meets the test of Section 103 of the Patent Act of 1952, 35 U.S.C. The standard was declared by the Supreme Court by Mr. Justice Clark in Graham v. John Deere Co., 383 U.S. 1 (1966).[6] Mr. Justice Clark stated, *id.* at 3, 4, referring to the Patent Act of 1952 in relation to earlier Patent Acts: "[T]he Congress has for the first time expressly added a third statutory dimension to the two requirements of novelty and utility that had been the sole statutory test since the Patent Act of 1793. This is the test of obviousness, *i.e.*, whether 'the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.' § 103 of the Patent Act of 1952, 35 U.S.C. § 103 (1964 ed.).[7]

"The questions, involved in each of the companion cases before us, are what effect the 1952 Act had upon traditional statutory and judicial tests of patentability and what definitive tests are now required. We have concluded that the 1952 Act was intended to codify judicial precedents embracing the principle long ago announced by this Court in Hotchkiss v. Greenwood, 11 How. 248 (1851), and that, while the clear language of § 103 places emphasis on an inquiry into obviousness, the general level of innovanation

---

[6] The Supreme Court decided three cases. See the star note cited to the text at 383 U.S. 1. The three cases are collectively called the "John Deere Cases." See also United States v. Adams, 383 U.S. 39, decided the same day as the cases referred to, *supra*, in this note.

[7] "§ 103. *Conditions for patentability; non-obvious subject matter*

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

We need not discuss the provisions of §§ 101 and 102. In any event we hold that Schmidinger's disclosures satisfy the requirements of the designated sections.

necessary to sustain patentability remains the same." Mr. Justice Clark went on to make clear that the factors by which non-obviousness are to be tested are substantially the same as were those of the decisional law as it existed prior to the time of the 1952 Patent Act. See also United States v. Adams, 383 U.S. 39, filed concurrently with the John Deere Cases. The defendants insist that Schmidinger developed a mere improvement over the prior art and that the device disclosed in his combination patent could have been made by a skillful mechanic and was not effected by the acts of an inventor. This is the main thrust of the attack upon the patent. We come therefore, to an examination of the prior art in part and a study of the circumstances under which Schmidinger devised the switch disclosed and claimed by him in 023.

Schmidinger at the trial described how he developed his 023 snap-action flasher. Until 1954 motor vehicle flashers had operated by magnetism. Tung-Sol had manufactured a magnetic flasher devised by Schmidinger which had wide use in the motor vehicle field. Schmidinger had secured a patent No. 2,177,671 for a "Thermal Switch and the Like", issued on October 31, 1939 on an application filed on April 30, 1937. He also had received a patent No. 2,299,767 for a "Thermally Operated Switch and the Like", issued on October 27, 1942 on an application filed on February 2, 1940. The teachings of the 671 and 767 patents are prior art in this case. Schmidinger testified that in 1943, attempting to improve his non-magnetic flasher, he directed his attention to the device shown in Fig. 11 of 671. He removed the glass bead at the end of the left arm at numeral 52. He then changed the position of the pull wire to the proximity of the vane, at numeral 12. The design thus created was somewhat similar to that shown at Fig. 25 of 767.

Schmidinger then applied the electric current to the center of the pull wire. There was nothing new about this as is shown by the Hanson (Netherlands) Patent No. 6,711 published March 15, 1922 for an "Automatic Circuit

Breaker." Schmidinger next bent his buckling member in the center at right angles to the pull ribbon as shown by Fig. 8 of the Klahn Patent No. 1,784,450, issued on December 8, 1930 on an application filed February 25, 1926. Klahn's Fig. 8 discloses such a deformation but what it fails to show is a deformation along the long axis. The defendants insist that a diametrically deformed disc-shaped buckling member created by creasing it through the diameter would be obvious to a man having ordinary skill in the art. But with this we cannot agree. Schmidinger next employed a pull ribbon in lieu of a pull wire. There can be nothing non-obvious in exchanging a pull ribbon for a pull wire but the pull means is described in 023 as both "laterally flexible" and "expansible". Moreover, as disclosed by 023 the pull strip is attached to the disc in such a manner as to bow the disc in the opposite direction about a diameter of 90° to the preformed crease. Schmidinger then experimented with disc-shaped buckling members, as disclosed in the Spencer Patent No. 1,883,252 issued on October 18, 1932 on an application filed August 15, 1931.

It appears that there was a period of experimentation by Schmidinger as to the size and operation of the members of the device evolved by the disclosures of the patent in suit. This period of experimentation was not as extensive as the plaintiffs contend. The court below laid emphasis upon the fact that Schmidinger had begun his work on automobile signals installations in 1931 and progressed through electromagnetic flashers to mechanical ones. But it is necessary to point out that Schmidinger's experiments on mechanical flashers, resulting in the device of 023, were not prolonged and were brought to fruition in not more than two years. The period required by Schmidinger to perfect his device is not too helpful to him here.

The court below stated, 243 F. Supp. at 860: "The interrelationship of the parts, as put together by Schmidinger, and their functioning dependency on each other, has

produced a unit capable of performing the reciprocating snap action with its 'locking' effect, and of generating the heavy snap forces required for opening and closing the electrical contacts with firm contact pressure, fast make and break of contacts, and uniform cyclic beat. None of the prior art structures contain [sic] the interrelationship of the parts found in the Schmidinger device, and none of them were [sic] capable of performing the operation or producing the result of the structure of the patent in suit."

This statement is undoubtedly supported by the record, but we point out that the court below employed functional terms in describing the operation of the 023 device and that patent claims at least under the circumstances at bar cannot be sustained by functional conclusions. We do not undervalue Schmidinger's experiments; nor do we conclude that he was merely routineering. We note again that the last sentence of Section 103 states: "Patentability shall not be negatived by the manner in which the invention was made." An invention made even accidentally is patentable,[8] and a non-obvious result whether it be obtained by inspiration or by infinite pains is equally within the protection of Section 103 and the principle of the John Deere Cases.

We have given consideration to the substantial commercial success of Schmidinger's flasher, well founded in the record, commencing with the sale of the 023 device in 1956 to the Pontiac division of General Motors. The record shows that by 1963 approximately 99% of the flashers employed in the automotive industry were Schmidinger's. While a portion of these large sales may well have been brought about by the decreased electric current presently employed to operate flashers,[9] a decrease that Schmidinger's device could and would sustain, this possibly accidental result does not render the Schmidinger disclosures less valid.

8 See for example Electric Storage Battery Co. v. Shimadzu, 123 F.2d 890, 893 (3 Cir. 1941). Compare the history of the discovery of Charles Goodyear's vulcanized rubber: Goodyear v. Day, 10 Fed. Cas. 678, No. 5569 (1852).

9 See Schmidinger's testimony pp. 767a-68a.

Considering the prior art and weighing the whole record on this phase of the case, we conclude that Schmidinger's disclosures were not "obvious . . . to a person having ordinary skill in the art." 35 U.S.C. We therefore hold all claims in issue valid,[10] save Claim 26.

As to Claim 26, no support is claimed. The court below stated, *id. supra* at 860, "However, while a support may be necessary for an operable structure, it is not a basic element of the invention and need not, therefore, be set forth in the claim. It is quite apparent that one skilled in the art would know how to support the device of claim 26 to make it operable." This is not enough and the court below was in error in so concluding. A support is necessary to make Schmidinger's device operable and in a combination patent there is no single essential element. Every element in the combination must join in setting out and defining an operable device possessing utility. Aro Manufacturing Company v. Convertible Top Company, *supra,* at 344-5. We hold Claim 26 to be invalid.

II. The Issue of Infringement.

The defendants contend that during the prosecution of 023 in the Patent Office the patentee agreed to certain limitations of his asserted claims. Having agreed to these limitations in order to obtain allowance of 023, the defendants contend that Schmidinger cannot now claim that which he previously had released to the public domain. Specifically, the defendants argue that Schmidinger, in order to overcome Patent Office objection based on prior art, limited his device to one which has the buckling member solely supported by the pull means, the stationary

10 In respect to the provisions of 35 U.S.C. § 282, the statutory statement creating presumptive validity, we agree with the court below that the burden of proving invalidity in the face of the presumption is a heavy one, but the presumption is by no means conclusive. See Mumm v. Jacob E. Decker & Sons, 301 U.S. 168 (1937). It is our conclusion that the presumption of validity conferred by the statute has not been overcome in respect to the 023 device.

support attached to the pull means, not to the buckling member, and to a buckling member which is substantially circular. We agree with these contentions.

An understanding of the current scope of Reissue Patent 24,023 requires an analysis of proceedings before the Patent Office started on July 6, 1944. On that date, Schmidinger filed application No.543,623 for a "Thermal Control Means". During the prosecution of that application, the Patent Office rejected Claims 1, 18, 19, and 20 on prior art claiming Schmidinger's device disclosed no new invention over Schmidinger 767 and 309 and Newton 2,267,164. Schmidinger responded by amending Claims 1, 18, 19, and 20, noting in his "Remarks" that such amendments were directed specifically to attaching the support solely to the pull means in order to overcome the prior art. A reading of the amended claims does indeed disclose that the support is connected only to the pull means. By his oath Schmidinger repeated the importance of this arrangement and argued that it overcame successfully the prior art. Subsequently, Schmidinger added Claims 41-44 to application 623. These new claims described the buckling member as being supported solely by the pull means. 623 was later abandoned in favor of application No. 237,958, filed July 21, 1951, which resulted in Patent No. 2,615,106 issued on October 21, 1952, which in turn was the basis for the Reissue Patent in suit. In the prosecution of 958 Schmidinger continued Claim 41 of 623 as new Claim 10. Claim 41, as noted, provided that the buckling member be supported solely by the pull means. After 958 had been allowed and Schmidinger had experimented with a device which had the support attached to the buckling member, on advice of counsel, he requested a reissue patent which would include claims for a support attached to the buckling member. In a supplemental oath to the reissue application he swore: "[T]he claims of . . . said patent are inoperative to protect adequately [the] invention in that they are limited to attachment of a support to the pull means . . . ." In order to achieve a broadening,

Schmidinger included Claim 25 in his reissue application, a claim which could be read to include a support on either the buckling member or the pull means. The Patent Office rejected Claim 25 on Norwegian Patent 957, and subsequently rejected as new matter the language in the specifications which implied that the support could be attached to the buckling member. The Patent Office demanded deletion of all like language and stated in a letter of September 8, 1954: "The support was not originally disclosed as being connected directly to the disc and to refer to such a construction . . . is to disclose new matter . . . Claims 25-27 are rejected as containing new material . . . ." Schmidinger complied by deleting all of the alleged offensive language. Moreover, Schmidinger had previously amended Claim 25 to remove any implication that the support could be attached to the buckling member. Thus, Schmidinger did not succeed in broadening his claims to include a device in which the support was attached directly to the buckling member. He cannot now claim that such a device infringes his patent.

As noted, the defendants also contend that Schmidinger limited his device to a disc-shaped buckling member. The definition of the word "disk" or "disc" is given in Webster's New International Dictionary of the English language, 2 ed., as "A flat circular plate; as, a *disk* of metal . . . ." The definition is one of common usages and we accept it.

In the original application 623 and its accompanying figures Schmidinger claimed buckling members of varying shapes. The Patent Office responded in a letter of October 28, 1946, stating: "In view of the rejection, below, of the generic claims, election of a single species (i.e. a single form of support and a single form of buckling member) is required . . . ." This demand was clearly in reference to the *shape* of the buckling member. In a responsive letter dated April 24, 1947, Schmidinger's attorneys insisted that the device was not restricted to a circular

buckling member, at the same time, however, choosing to elect for prosecution the device as embodied in Figs. 2, 2a and 6, figures showing substantially circular buckling members. The plaintiffs' witness, Norton, explained that these embodiments were probably chosen in order to include figures which depicted a means for adjusting tension in the pull ribbon and not to elect a shape of buckling member. We do not agree. It is clear that the Examiner was demanding an election of a shape of buckling member. This conclusion is supported by the subsequent rejection by the Patent Office of Claims 12 and 15 as not being readable on the elected species. Claim 12 claimed an oval buckling member and Claim 15 a flat strip. In all other respects both claims were identical to claims not rejected as not readable on the elected species because of shape. Compare Claims 11 [11] and 12. Claims 12 and 15 were then rewritten as, *inter alia,* Claims 29, 30, 31, 33, and 34, which were described respectively, as "a disc, a disc being circular, a disc being oval shaped, a flat strip, and a dished metal disc." Thus, Schmidinger had not yet abandoned his claim for a strip buckling member. However, in a letter of August 24, 1950, the Patent Office rejected, *inter alia,* Claims 33 and 34 as not being readable on the elected species, no generic claims having been allowed. The Patent Office allowed Claims 29, 30, and 31 among others. The only differences between allowed Claim 31 and rejected Claim 33 are the description of the shape of the buckling member and the attachment of the pull means at *diametrically* opposite points in Claim 31. Schmidinger subsequently cancelled Claim 33 and later abandoned the 623 application in favor of prosecuting the 958 application. In this latter application there was no attempt to include any specific claim for a strip buckling member and 20 of the 21 claims included a buckling member which was to be either disc shaped or substantially circular in form. Moreover,

11 Claim 11 was also rejected as not readable on the elected embodiment, but for other reasons. See Patent Office letter dated January 11, 1949 referring to an earlier letter dated October 28, 1946.

Schmidinger's attorneys admitted that these claims were more narrow structurally than were the abandoned claims of 623. The one claim, Claim 4 of application 174,411 filed July 18, 1950 but abandoned, like 623, in favor of 958, which could have been read to include a strip buckling member was not prosecuted and therefore must be presumed to have been abandoned. It seems clear from the foregoing that Schmidinger limited his device to a disc buckling member but if further proof were needed Schmidinger's attorneys made his position crystal clear during prosecution of 958. In attempting to overcome a Patent Office objection to Claims 10 and 11 as lacking in invention over Klahn 450, Schmidinger's counsel argued that "Klahn's device is a strip, not a disc". Finally, all the claims of 023, the reissue patent of 106, in dispute in this litigation described only a disc, a disc-like or a substantially circular buckling member. Schmidinger was forced to employ this restrictive language by the Patent Office. The case on file wrapper estoppel is conclusive.

The alleged infringing devices variously have rectangular buckling members, not discs and their pull means are not fastened to the support.[12]

The court below despite the fact that it found that there was no literal infringement of 023 nonetheless disregarded the particular structure and the elements of the claims, broadly employing the doctrine of equivalence. As was said in the John Deere opinion, *supra,* at 33: "Claims as allowed must be read and interpreted with reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent."

Here, Schmidinger abandoned too much and now faces the limitations imposed on his claims by those abandon-

12 The alleged infringing devices are identified in a stipulation dated April 11, 1963 and approved by the court below in its Pre-Trial Order dated April 16, 1963, *viz.,* the structures of the devices to Tag Nos. 1, 5, 6, 13-A-13-H, 13J, 13K, 19, 20 and 24. See Paragraph 13 of the judgment of August 25, 1965.

ments. He cannot be permitted to recover what he lost in the Patent Office proceedings. We hold that there was no infringement.[13]

III. Unfair Competition.

The issues presented under this heading will be discussed briefly. The court below was requested not to disclose any of the details concerning the plaintiffs' asserted trade secrets in its opinion. We need not refer specifically to facts for it is clear from the record that the court below had substantial bases for its findings. The court stated, 243 F.Supp. at 865, as follows: "A careful consideration of that part of the record relating to plaintiffs' cause of action for unfair competition leads the Court to conclude, in light of applicable law, that plaintiffs have not sustained their burden of proving by a preponderance of the evidence that

---

13 The court below in its opinion at 863 stated: "[A]t no time during the prosecution of the several applications in the patent office did Schmidinger insert the word 'disc' or the expression 'support attached to pull ribbon' into any of the claims in order to overcome or avoid a rejection on the prior art patents. Nor does it appear that Schmidinger abandoned all shapes for his buckling member, other than round, when he made an election of species of a disc. In fact, the patentee at all times asserted claims to a buckling member regardless of shape, or to a 'disc-like' buckling member which was the equivalent of the other shaped buckling members of the prior art patents."

We cannot agree with the import of this statement. The file wrapper history of 023 will not permit the broad construction and the use of equivalents as claimed by Schmidinger. He obtained the issuance of 023 by distinguishing prior art and he cannot now validly obtain that which was previously by limitation excised from his applications and claims. This matter was well put in Exhibit Supply Company v. Ace Patents Corporation, 315 U. S. 126, 136 (1942), in which the court said: "Assuming that the patentee would have been entitled to equivalents embracing the accused devices had he originally claimed a 'conductor means embedded in that table,' a very different issue is presented when the applicant, in order to meet objections in the Patent Office, based on references to the prior art, adopted the phrase as a substitute for the broader one 'carried by the table.' Had Claim 7 been allowed in its original form, it would have read upon all the accused devices, since in all the conductor means complementary to the coil spring are 'carried by the table.' By striking that phrase from the claim and substituting for it 'embedded in the table,' the applicant restricted his claim to those combinations in which the conductor means, though carried on the table, is also embedded in it. By the amendment, he recognized and emphasized the difference between the two phrases and proclaimed his abandonment of all that is embraced in that difference . . . ; cf. in case of disclaimer Altoona Theatres v. Tri-Ergon Corp., 294 U.S. 477, 492, 493. The difference which he thus disclaimed must be regarded as material, and since the amendment operates as a disclaimer of that difference it must be strictly construed against him."

what they claim as confidential information and trade secrets are in fact such, or, if they could be so classified, that defendants have utilized such data in their mass production of the infringing device."

In respect to the trial judge's concept of the law of trade secrets he stated that Schmidinger's work in measuring the snap and unsnap forces of his buckling member "involved no more than the application of ordinary engineering skill to obtain uniformity of these forces." *Id. supra,* at 865. This smacks of the test of patentability Section 103, 35 U.S.C., and is not applicable to trade secrets. We quote with approval the Restatement, Torts, Vol. 4, Section 757, at p. 6.[14] The applicable rule of law under circumstances substantially similar to those at bar was applied by the Court of Appeals for the Eighth Circuit in McGraw-Edison Co. v. Central Transformer Corp., 308 F. 2d 70, 73 (1962). In the case at bar as in the cited case, the *sine qua non* of a claim of unfair competition consists in the existence of a trade secret. Here there was none and therefore, of course, no information useful to a competitor could have been transmitted.[15]

---

14 The Restatement is as follows: "A trade secret may be a device or process which is patentable; but it need not be that. It may be a device or process which is clearly anticipated in the prior art or one which is merely a mechanical improvement that a good mechanic can make."

15 The parties to the litigation have not discussed, apparently deeming discussion unnecessary, the question of what law is applicable on the issue of unfair competition, the pendent or ancillary cause of action in this case. See the opinion of Mr. Justice Douglas in Mine Workers v. Gibbs, 383 U. S. 715, 726 (1966), wherein it was stated that the justification for deciding a pendent proceeding "lies in considerations of judicial economy, convenience and fairness to litigants; if these are not present a federal court should hesitate to exercise jurisdiction of state claims even though bound to apply state law to them." Citing Erie R. Co. v. Tompkins, 304 U.S. 64 (1938). Cf. Taussig v. Wellington Fund, Inc., 313 F.2d 472, 475 (3 Cir. 1963) and Chief Judge Wright's opinion in that case, 187 F. Supp. 179, 191, 193 (D. Del. 1960). The court below made no findings as to whether the unfair competition phase of the litigation was multistate in effect or where the cause or causes of action allegedly arose. We conclude that it is not necessary to remand the cause to the court below to ascertain the applicable law of the State or States involved in the action. We are aware of no law, state or general, which would permit recovery on the unfair competition claim under the circumstances at bar.

In conclusion, we state that the evidence in the patent phase of the litigation and in the unfair competition phase are sufficiently integrated to permit the adjudication of the unfair competition cause.

There can be no point in remanding the case so that the trial judge may simply rephrase his conclusions of law. His decree was correct. Accordingly, we will affirm the decision of the court below on the issue of unfair competition.

The judgment of the court below on the issue of validity of the claims, save only Claim 26, will be affirmed. The judgment of the court below on the issue of infringement, as indicated, will be reversed.

A True Copy:

Teste:

Clerk of the United States Court of Appeals for the Third Circuit.

LIBRARY
UPREME COURT, U. S.

Office-Supreme Court, U.S.
FILED
JAN 25 1968
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM 1967

No. 981

MARIE J. WELSH, JAMES W. WELSH and WEL-FLASH, INC., OXFORD ELECTRIC CORPORATION and its HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., and its HUDSON LAMP CO., INC., DIVISION,

Petitioners,

v.

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC, INC.,

Respondents.

BRIEF IN OPPOSITION TO CONDITIONAL CROSS-PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

WILLIAM D. LUCAS and
MELVIN H. KURTZ
155 East 44th Street
New York, New York 10017
Counsel for Respondents.

INDEX

	PAGE
STATEMENT OF CASE	1
ARGUMENT	4
CONCLUSION	5

CITATIONS

Graham et al. v. *John Deere Co. of Kansas City et al.*, 383 U. S. 1 (1966)	5
United States v. *Adams*, 383 U. S. 39 (1966)	4

IN THE

Supreme Court of the United States

OCTOBER TERM 1967

No. 981

MARIE J. WELSH, JAMES W. WELSH and WELFLASH, INC., OXFORD ELECTRIC CORPORATION and its HUDSON LAMP DIVISION, HUDSON LAMP CO., INC., BEST MFG. CO., and its HUDSON LAMP CO., INC., DIVISION,
Petitioners,

v.

JOSEPH SCHMIDINGER and TUNG-SOL ELECTRIC, INC.,
Respondents.

BRIEF IN OPPOSITION TO CONDITIONAL CROSS-PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

This brief is directed to facts omitted from the Cross-Petition which constitute ample grounds for denying the requested review of the validity of claims 12, 17, 18 and 23 of the patent in suit.

STATEMENT OF CASE

The following three statements in the Cross-Petition constitute the grounds alleged to warrant a review by this Court.

1. The *only* feature found by the Court below as not being disclosed in the prior art was deforming the buckling member along its long axis (pg. 5).

2. Each of the three elements of the patented combination are shown in the prior art and each element functioned in the same manner in the prior art as it does in the patented device (pg. 6).

3. Neither Court below made any finding that the old elements which made up the patented device perform any additional or different function in the combination than they performed out of it (pg. 7).

These allegations are not supported by the decisions below. In making these allegations the Cross-Petition ignores the fact that the Court below quoted and affirmed the District Court's finding that none of the prior art patents disclose the novel structural interrelationship of parts in the patented device which perform a function and produce a result not found in the prior art. On this point the Court below stated at (A 23-24).*

> "The court below stated, 243 F. Supp. at 860: 'The interrelationship of the parts, as put together by Schmidinger, and their functioning dependency on each other, has produced a unit capable of performing the reciprocating snap action with its "locking" effect, and of generating the heavy snap forces required for opening and closing the electrical contacts with firm contact pressure, fast make and break of contacts, and uniform cyclic beat. None of the prior art structures contain (sic) the interrelationship of the parts found in the Schmidinger de-

*Page reference to appendix of Petition for Writ of Certiorari No. 926.

> vice, and none of them were (sic) capable of performing the operation or producing the result of the structure of the patent in suit.'
>
> This statement is undoubtedly supported by the record. . . ."

Even though the Court of Appeals specifically affirmed these findings of fact by the District Court, it nevertheless criticized the District Court for using functional language in describing the operation of the patented device and reached its own conclusion of a non-obvious invention based on the entire record below (A 25).

The Cross-Petition also ignores the fact that the old elements were so amalgamated in the patented device as to lose their separate identity. On this point the District Court stated at (A 47):

> "Thus, while it is true that the buckling member, flexible pull ribbon, and divided circuit of the 023 patent are each found in separate prior art patents, the fact is that these elements are so interrelated in the structure of the Schmidinger invention as to form a single integral unit that functions in a new and novel manner not disclosed in the prior art patents."

The Cross-Petition further ignores the fact that experts in the field could not envision how to utilize the old elements to produce the function and achieve the result of the patented device. On this point the District Court stated at (A 47):

> "In addition to Schmidinger, other workers in the field, with the same prior art available to them as was available to Schmidinger, tried to develop a satisfactory flasher switch for automobiles without

an electromagnet. Yet these men failed where Schmidinger succeeded. A number of patents were obtained by assignors to General Motors Corporation and others, but none of the devices covered by those patents attained commercial success or were used in any automobiles."

ARGUMENT

As brought out in the decisions of the Courts below, this is not a case where old elements of the prior art are combined to perform the same old function in a patented combination as alleged in the Cross-Petition. For this reason alone the Cross-Petition fails to provide any grounds for review by this Court.

This is a case where elements, separately old, have been amalgamated into an integral unit that functions in a new and novel manner to produce a result unobtainable with the prior art structures. And this is a case where experts in the automotive field tried but failed in their attempt to utilize the old elements to perform the function and achieve the result of the patented device which enjoys 99% of sales to the automotive industry.

The facts in the present case are startling similar to the facts in *United States* v. *Adams,* 383 U. S. 39, (1966) where elements, separately old, were combined in a battery to have an interdependent functional relationship to produce a result unobtainable with the prior art structures. In the Adams case, as in the present case, experts in the field were unable to envision how the old elements were to be utilized to perform the function and achieve the result of the patented device. In the present case the Court below at (A 21-22) followed the test of non-obviousness of invention prescribed by this Court in the Adams case and in the

companion case of *Graham* v. *John Deere Co.*, 383 U. S. 1, (1966).

Contrary to the Cross-Petition, we submit that the Court below did not fail to follow the standard of non-obviousness of invention prescribed by this Court.

CONCLUSION

For the foregoing reasons we respectfully submit that the Cross-Petition for Writ of Certiorari be denied.

Respectfully submitted,

WILLIAM D. LUCAS
Counsel for Respondents

MELVIN H. KURTZ
Of Counsel